



Automation and oversight in Aged Care:

Flaws in the design and
operation of the Single
Assessment System

Own Motion Investigation

October 2026

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Executive summary

The reality of automated decision-making – case study

*‘My mother has a rapidly progressive and non-curable neurological condition, with a [very limited] lifespan. Despite approving her for the second highest level of home care support, the Department has assigned her a standard priority wait time of 10 to 11 months. During this period, she is receiving only minimal support, which is wholly inadequate and places her at risk of deterioration, hospitalisation and avoidable harm. **The Department has relied on an algorithmic decision-making process to refuse escalation of priority despite acknowledging that the outcome is inappropriate in the circumstances**’. (emphasis added)*

A complaint to the Ombudsman

Australia’s population is ageing rapidly. Between 2017 and 2024, the population of older persons grew by 23%, compared with 12% growth in the overall population.¹

This demographic shift means that an increasing number of people will require access to the aged care system,² with estimates suggesting that around 80% of older persons will need some form of aged care assistance during their lifetime.³

The aged care system in Australia provides subsidised and fully funded aged care services to older persons. Whether this involves basic care at home, comprehensive care in a residential setting, or something in between, these services are critical for supporting the dignity and wellbeing of older people.

To access aged care services, older persons are required to undergo an aged care needs assessment (needs assessment). A needs assessment works out what type of help an older person needs and what types of aged care services they are eligible for.

¹ Australian Institute of Health and Welfare, People Using Aged Care (April 2025).

² Australian Institute of Health and Welfare, People Using Aged Care (April 2025).

³ Productivity Commission, Report on Government Services, Aged Care Services (January 2026).

Currently, this occurs through the **Single Assessment System** (SAS),⁴ which is administered by the System Governor under the *Aged Care Act 2024* (Cth) (the **Act**). The System Governor is the Secretary of the Department of Health, Disability and Ageing (the Department).

⁴ The SAS came about because of recommendations 28 and 48.2(b) of the Royal Commission into Aged Care Quality and Safety (March 2021).



The Single Assessment System (SAS)

Our focus in this investigation related to two important components of the SAS, the **Integrated Assessment Tool** (the IAT) and the **SAS workforce**, both explained below.

What is the IAT?

The Aged Care Rules 2025 (the Rules), made under the Act, prescribe the IAT as the assessment tool to be used for home care assessments. The Rules define the IAT as the IAT “published by the Department”.

Our investigation has focussed on the digital assessment application that assessors are required to use for all needs assessments. The application incorporates three key components:

- the **assessment questions** that an assessor uses to collect information from an older person,
- one of 2 **algorithms**⁵ that makes automated decisions about eligibility through classification and priority based on that information, and
- **support planning**, where the assessor recommends specific aged care services for an older person.

Of these three components, only the assessment questions have been published by the Department. In our view, the assessment questions and the algorithm are integrally connected, not least because it is the algorithm that makes the actual decisions (or assessments) about eligibility.

Following completion of the assessment questions, the IAT’s **algorithm** makes one of three automated decisions (automated IAT decision):

⁵ Two different algorithms are used to determine a person’s classification (funding) level and their priority category. The **classification** algorithm determines an older person’s ongoing home support funding level through the Commonwealth Home Support Program or Support at Home. The **prioritisation** algorithm determines an older person’s priority category for Support at Home funding.

- that the older person is eligible to access aged care services under the Commonwealth Home Support Program (the CHSP), **OR**
- that the older person is eligible to access aged care services under the Support at Home program (the SAH program) and if so, their funding level and priority category, **OR**
- that the older persons is not eligible to access the CHSP or the SAH program.

Currently, under the law, these automated decisions **cannot be overridden and changed, even if they are clinically inappropriate**. These automated decisions are made by the IAT's algorithm. Put another way, a human decision-maker **does not** decide the 3 key matters described above. The CHSP and the SAH program are home-based aged care programs. The CHSP is designed to provide entry-level care for older persons who need a low level of support to live independently and safely, while the SAH program is designed to support older persons with more complex or intensive care needs.

The significance of the home support system

A significant majority of older persons who access aged care services in Australia do so through the home support system. In 2023–24, for example, around **1.1 million older persons (representing 85% of the aged care population)** were receiving services under the CHSP or the SAH program equivalent, as it then was.⁶

The other component of the SAS that this investigation examined, the **SAS workforce**, comprises the assessment providers that are contracted by the Department to undertake functions delegated by the System Governor including needs assessments using the IAT. There are currently 22 assessment providers in Australia (assessment providers can be private sector organisations or state government bodies). Importantly, assessment providers also make approval decisions about what aged care services an older person can access.⁷

⁶ Australian Institute of Health and Welfare, People Using Aged Care (April 2025).

⁷ The role of the assessment delegate is to decide whether to approve the older person's access to the aged care services recommended within the support plan.

As part of administering the SAS, the Department oversees the work of assessment providers, including undertaking assurance activities, managing complaints about their performance and creating operational rules that they are required to follow under their contract. It also reviews the decisions made by assessment providers through an internal review mechanism and manages the My Aged Care website and call centre, which serve as the front door for aged care services in Australia.

Why we investigated

Since the introduction of the SAS, a range of concerns have been raised by the public and in different forums about its operation, and in particular about how the IAT works. These include, for example:

- that communication from assessment providers is often poor and needs assessments can be difficult to arrange,
- that waiting times for needs assessments can be substantial,
- that review processes can be slow,
- that there are insufficient assessors to meet demand and those that are available may lack appropriate training and qualifications,
- that the IAT significantly diminishes the role of clinical expertise,
- that the automated IAT decision could not be changed once an assessment was finalised, even if it is considered unsuitable, and
- that the algorithm:
 - lacks transparency, and
 - risks significantly underassessing an older person's care needs, resulting in outcomes that are clinically inappropriate.⁸

In April 2026, in relation to this last point, the Australian and New Zealand Society for Geriatric Medicine said the following:

'[we are] concerned that, in its current form, the [IAT] risks systematically under-identifying frailty, functional vulnerability and clinical complexity in older people. There are also broader concerns regarding the reliability and consistency of assessments. Reported

⁸ See, for example, Community Affairs References Committee, Aged Care Service Delivery (October 2025), pages 39 to 42; National Aboriginal and Torres Strait Islander Ageing and Aged Care Council Position Statement: Integrated Assessment Tool Review (April 2026); Local Government NSW Submission: Inquiry into the Transition of the Commonwealth Home Support Program to the Support at Home Program (February 2026), pages 9 to 10.

variability in assessor experience, limited clinical guidance within the [IAT] and a highly structured format may contribute to inconsistent outcomes and reduce the ability to capture clinical complexity. These factors raise risks for both under and over classification of need.⁹

Based on these concerns, our complaint information and preliminary inquiries with the Department, we decided to investigate. We were concerned that assessment providers were not being reasonably oversighted by the Department and that the IAT and its associated decision-making framework could be leading to unfair outcomes and undermining public confidence in the assessment system.

⁹ Australian and New Zealand Society for Geriatric Medicine, Urgent Refinement Required: Strengthening the Integrated Assessment Tool to Safeguard Older Australians (April 2026).

Who and what we investigated

We investigated the actions of the Department under section 5(1)(b) of the *Ombudsman Act 1976* (Cth) (Ombudsman Act). The investigation was designed to answer the following questions:

- Does the IAT and its associated decision-making framework have the potential to undermine public confidence in the administration of a fair and consistent assessment system? (**question one**)
- Given the critical importance of assessments as the input to the IAT, is the Department reasonably oversighting the performance of assessment providers? (**question two**)



Our findings

The Ombudsman has formed the opinion that:

- under section 15(1)(a)(ii) of the Ombudsman Act, the actions of the Department in its administration of the SAS, including the implementation of the IAT, have been unreasonable, and
- under section 15(2)(f) of the Ombudsman Act, the Department should, as soon as practicable, consider the recommendations in this report and work towards implementing them.

A note about the operation of the algorithm and our findings

Our investigation did not assess the clinical appropriateness of the algorithm.¹⁰

The deficiencies that we identified in the design and development of the IAT do however raise legitimate concerns about the reliability of the results it produces. Thus, while our findings do not establish that the algorithm in fact produces clinically inappropriate outcomes, taken together **they raise serious questions** about its suitability and underscore the need for independent clinical review, as recommended below.

Findings for question 1 – summary

In our view, based on the matters below, the IAT and its associated decision-making framework do not merely have the *potential* to undermine public confidence in the administration of a fair and consistent assessment system. Rather, **a reasonable person would, in our view, lack confidence that the system is in fact fair and consistent.**

¹⁰ As such, we did not examine whether the algorithm translates information, including clinical information, into suitable outcomes, nor whether it considers the right information or whether weightings and decision rules applied are clinically justified.

- There is a contradiction in allowing assessor expertise and judgement to inform the inputs into the IAT but not to consider the appropriateness of the outcomes. Different assessors may reasonably form different views about the same older person, leading to different inputs and therefore different IAT scores. Because the inputs are not objective, it is incorrect for the Department to say that the resulting automated IAT decisions involve only objective and binary methodology.
- There is no public information available that meaningfully explains how the algorithm converts inputs into outcomes. Without this, the IAT is a technological black box.
- The Department has not complied with Recommendations 17.1 and 17.2 of the Royal Commission into the Robodebt Scheme regarding transparency of government automated decision-making.
- Information provided by the Department to the public suggests that key trials and consultation over several years directly supported the IAT and its associated decision-making framework in its current form, but that is not correct. Those trials and consultation related to earlier versions of the IAT and earlier legislation.
- The Department implemented the IAT in its current form without any meaningful risk assessment, evaluation or analysis, despite the obvious risks that would arise with deterministic automated decision-making (i.e. automated decision-making that does not allow for human override and change).
- While it appears the IAT was built with an override mechanism, there is no mechanism at law to override and change automated IAT decisions that are considered clinically inappropriate, notwithstanding that these decisions can have serious implications for an older person's health, independence and living circumstances.
- In our view, the Department did not, and may still not, understand key components of the legal framework it created, nor did it understand what legal framework it was meant to create. This had serious consequences, including that up until the introduction of the Act and the Rules in October 2025, the Department had been incorrectly advising assessment providers and the public

that automated IAT outcomes could be changed. This is despite the fact that there was no mechanism in the Act or the Rules to change outcomes.¹¹

- Reasons for decisions, including internal review outcomes, may in many cases not provide meaningful information to those who have sought the review. If they are not able to understand the basis of the decision, they will not know whether it is a correct assessment of their circumstances or not, and therefore whether they should seek external review or not.

Findings for question 2 – summary

In our view, based on the matters below, the Department **has not** been reasonably overseeing the performance of assessment providers. The Department should be doing more in a range of areas to improve the operation of the SAS.

- Assessment provider performance in relation to KPIs has been falling short, in many instances to a significant extent, across important areas that bear on service delivery and quality.
- Despite the fact that assessor performance is a critical component of the SAS, as it is individual assessors who input information into the IAT, the Department undertakes a limited role in relation to checking compliance with learning requirements. It does not, for example, conduct assurance activities aimed at ensuring assessors hold appropriate qualifications, have the appropriate experience and have completed required mandatory training. The workforce pressures faced by assessment providers give rise to a material risk that learning requirements, which underpin the quality of the entire framework, are missed, unmet or otherwise not complied with. Exacerbating matters further, the

¹¹ The Ombudsman has considered several questions of law during this investigation, which have been raised separately with the Department. The Department shares our concerns and is working to resolve these matters promptly. The Ombudsman will continue to monitor progress. Noting there is a public interest in the Commonwealth being able to obtain confidential legal advice and that such advice is subject to legal professional privilege, these matters are not discussed further in this report.

Department's online learning environment does not contain any safeguards or mechanisms to protect the integrity of online training.

- The Department undertakes a limited role in relation to overseeing how assessors use the IAT and its quality assurance approach appears not to extend to matters beyond IAT use, despite the importance of other areas within the SAS.
- The Department does not have a framework in place to draw insights from complaints to inform systemic assurance activities in relation to assessment provider performance.
- The Department's flexible approach to the enforcement of contractual obligations was implemented without compensating controls. Despite accountability mechanisms being available to the Department for some time (for example, the ability to require an assessment provider to enter into a remediation plan to address non-compliance), these have only recently come into use, and timing of their use raises concerns about the Department's planning and communication.
- Information that the Department provides about the complaints process omits important information about how complaints are handled, likely timeframes and possible outcomes. This creates a risk that older persons may misunderstand the process or not pursue legitimate complaints.
- Complaints are not used as a primary source of information for broader assurance activities, limiting the Department's ability to identify systemic issues.

On 16 October 2026, the government announced¹² that it will introduce a new escalated pathway to provide an additional review process for certain aged care assessment decisions. We recognise this as a positive step towards strengthening human oversight and will monitor the implementation of the new pathway.

We acknowledge that since we commenced our investigation, a rapid review was announced, and the Department has also made improvements in several areas. These include shorter priority wait times, more timely data collection, and provision of information to the public.

¹² Minister for Aged Care and Seniors media release, 16 October 2026.

We welcome the Department's publication of information on 6 October 2026 – after the Department had responded to our draft report in the procedural fairness process – about the IAT classification algorithm, the business rules underpinning the IAT and plain English explanatory material. This is important, given the significance of the algorithm in determining older people's access to aged care services. However, we are disappointed this critical information was not made publicly available sooner. As recently as August 2026, there was no publicly available information that meaningfully explained how the algorithm converted assessment inputs into classification outcomes.

While the publications released by the Department on 6 October 2026 represent a positive step towards greater transparency, it remains to be established whether they provide sufficient detail to enable independent parties to reproduce the outcomes of the assessment process to ensure equitable access to aged care services.

We therefore consider it would be premature to conclude that our concerns in this regard have been addressed.

Recommendations

Bolded terms are defined at the end of this report.

Recommendation 1

The government, with the assistance of the Department, introduces a bill to amend the *Aged Care Act 2024* (Cth) (the Act) to allow assessment delegates to substitute their own decision for that of an automated IAT decision in **appropriate circumstances**.

Recommendation 2

As far as necessary to give effect to the above recommendation, the Minister amends the *Aged Care Rules 2025* (Cth) (the Rules) and separately, either the Minister or the Secretary as the designated System Governor of the aged care system provides **meaningful policy guidance** to assessment delegates about applying any test for substitution.

Recommendation 3

The Department undertakes a comprehensive review of the Act and the Rules as they relate to the needs assessment process, including use of the IAT, to identify legal defects, inconsistencies, ambiguities or unintended consequences and, using that information, address those issues in a timely way.

Recommendation 4

That any proposed amendments to the Act, the Rules and the algorithm be preceded by and informed by **meaningful consultation with the public**.

Recommendation 5

In accordance with recommendation 17.1 of the Royal Commission into the Robodebt Scheme, the Department:

- develops and publishes a fact sheet, in plain language, that informs the public about how the IAT works and the existence of automated decision-making,
- develops and publishes a fact sheet, in plain language, that informs the public about how internal and external merits review operates for SAS decisions and what limitations exist for those seeking review, and
- makes the **business rules underpinning the algorithm** available to the public and in doing so, provides a plain language explanation of how these operate.

Recommendation 6

The Department more effectively oversees the performance of assessment providers by undertaking:

- significantly more proactive audits/reviews of IAT usage, and
- consistent **assurance activities** in relation to:
 - compliance with learning requirements,
 - compliance with quality assurance requirements outside of IAT usage, and
 - compliance with meeting key performance indicators.

Recommendation 7

The Department amends its approach to receiving and dealing with complaints about assessment provider performance by developing a new complaints framework that:

- outlines how complaints will be dealt with, by who and by when, and

- implements a method to analyse complaints and use the resulting insights to inform the planning and prioritisation of systemic **assurance activities**.

Recommendation 8

The Department undertakes a **root cause analysis** to determine the underlying factors that contributed to the findings in this report, including any other issues identified by the Department, and in doing so uses the results to implement corrective actions.

Recommendation 9

The Department undertakes a comprehensive review of the **business rules underpinning the algorithm**.

Recommendation 10

While noting that the Auditor-General is an independent statutory officer, and also noting that the implementation and delivery of the SAS is a potential audit listed on the Australian National Audit Office's (ANAO) 2026-27 audit work plan, the ANAO consider undertaking a performance audit in relation to the implementation of the SAS and the design of the IAT, and in doing so, assesses whether the Department's use of public resources was efficient, economical and ethical.

Part 1. Obtaining aged care services under the SAS

Overview

Step 1 – Triage of the older person

An assessment provider **triage delegate** decides whether the older person is eligible for a needs assessment and if so, how quickly the needs assessment should happen. Under the Act, the Department, through an assessment provider, must arrange for a needs assessment if the older person is eligible.

Step 2 – Assessment of the older person's care needs

Following the above, the assessment provider schedules the needs assessment with one of their **assessors**. The assessor meets with the older person, either in person or via telephone and carries this out. Using the IAT, they ask questions, make observations and finalise the assessment section of the IAT.

Step 3 – Automated IAT decision



Step 4 – Support planning for the older person

Following the above, while still with the older person, the assessor makes recommendations for specific aged care services. The types of home-based aged care services that the assessor can recommend will depend on the outcome of the automated IAT decision.

Step 5 – Approval decision for access

Following the above, one of the assessment provider's **assessment delegates** considers the results of the assessment. This individual looks at the recommendations and decides whether to approve access to the recommended services for the older person. They may come to a view that certain recommended aged care services are not necessary, or that additional aged care services are needed, for example.

Steps in the process

Step 1 – Referral and triage

To arrange a needs assessment, an older person or someone acting on their behalf will make an application through My Aged Care, the central contact point for accessing and navigating aged care services in Australia. This application can be done online, in person or over the telephone.

The application is then referred to an assessment provider where a triage will occur through a triage delegate. The triage delegate will determine whether the older person is eligible for a needs assessment, the assessment type required and how quickly this should happen.¹³

Delays in obtaining a needs assessment – case study

A carer contacted us regarding their grandparents, both of whom are waiting for their needs assessment to be carried out. They told us that their grandfather has a terminal medical diagnosis and is in the advanced stage of cancer. At present, their grandmother is his sole carer despite herself experiencing substantial health issues.

The carer said that more than **three months** have passed since the initial request for a needs assessment through My Aged Care was made and in that time, their grandparent's health **has significantly deteriorated**. During this period, they said that they have been redirected to different assessment providers and despite numerous attempts to coordinate and progress arranging the needs assessments, they have been unable to do so.

A complaint to the Ombudsman

¹³ Department of Health, Disability and Ageing, RFI Response (May 2026), page 10.

Step 2 – Assessment

Once a needs assessment is arranged, an assessor from an assessment provider will meet with the older person to carry that out, either in person or by telephone.

Using the IAT, the assessor collects information about the older person's care needs, makes observations about them and answers questions.¹⁴ This information covers various areas including function, medical and medication, physical, personal health and frailty, cognition, behaviour, and home and personal safety.¹⁵

While needs assessments are usually led by a primary assessor, completion may require input from a second assessor who holds clinical qualifications (a clinical assessor). Within the IAT:

- some questions can only be completed by the primary assessor after the involvement of a clinical assessor, and
- some questions can only be completed by a clinical assessor.

Medical and medications – example

In relation to the “medical and medications” section of the IAT, all assessors need to determine the impact that any health issues have had on the older person's normal activities. The options for selection are “not at all”, “slightly”, “moderately” and “quite a bit”.¹⁶ If the assessor selects “moderately” or “quite a bit”, this will automatically generate further questions that **need to be completed with the involvement of a clinical assessor**.

Step 3 – Automated IAT decisions

Following finalisation of the assessment component, the IAT automatically makes decisions about eligibility and classification and, for the SAH program, also priority. It

¹⁴ While needs assessments should be conducted with the older person in-person, many are conducted over the telephone.

¹⁵ Department of Health, Disability and Ageing, Integrated Assessment Tool, User Guide (November 2025), page 7.

¹⁶ Department of Health, Disability and Ageing, Integrated Assessment Tool, User Guide (November 2025), page 35.



does this using the classification algorithm and the priority algorithm, both of which are tied to a criteria-based scoring system. This is explained further directly below.

What is an algorithm?

An algorithm refers to set of non-ambiguous steps used to solve a class of problems or perform a class of computations, turning inputs into outputs”.¹⁷ In other words, put simply, an algorithm is a set of instructions for solving a problem or completing a specific task.

Once the assessment section of the IAT is finalised, **it becomes locked and the inputs (i.e. the assessment questions/information) can no longer be edited.**¹⁸ This restriction applied to both the assessor and the assessment delegate up until 29 June 2026 when the Department introduced the ‘IAT amendment functionality’. This new functionality now enables assessment delegates to return the IAT to assessors to correct ‘factual errors’¹⁹. The Department describes ‘factual errors’ as:

- inconsistencies between responses across the different IAT domains,
- incorrect entry of information in comparison to a clients’ assessment summary, support plan, or relevant reports and supplied evidence,
- missing or incomplete information relating to the client’s circumstances, and
- insufficient detail within IAT responses, including free-text fields²⁰.

In these circumstances, the assessment is to be returned to the assessor with instructions explaining why and where in the IAT corrections are required²¹. The assessor makes the corrections as directed and is then required to complete notes detailing the corrections (or explain if they did not action any of the delegate’s

¹⁷ Lyria Bennett Moses, Michael Legg, Jake Silove and Monika Zalnieriute, “AI Decision-Making and the Courts: A Guide for Judges, Tribunal Members and Court Administrators” (2026), section 2.6 (AI Decision-Making and the Courts).

¹⁸ Department of Health, Disability and Ageing, Aged Care Assessment Manual (March 2026), page 275.

¹⁹ Department of Health, Disability and Ageing, RFI Response (August 2026), page 3.

²⁰ Department of Health, Disability and Ageing, Aged Care Assessment Manual (June 2026 v8.3), page 274.

²¹ Department of Health, Disability and Ageing, Aged Care Assessment Manual (June 2026 v8.3), page 444.

requests). If these notes are not completed, the system generates an error, and the assessor will not be able to complete the assessment.²²

Once the corrections have been made, the amended assessment is finalised, locked and returned to the delegate who then approves access to the recommended aged care services in step five, below. It remains clear, however, that *'(o)nce the IAT is finalised, the system (not a human) determine(s) the outcome of the assessment'*.²³

The assessor has only one opportunity to correct the identified errors.

Classification and priority

Funding for the SAH program is divided into eight annual funding levels, ranging from classification one (\$10,731.00) through to classification eight (\$78,106.35). The classifications are intended to reflect an older person's overall level of assessed support needs, with the intention that lower classifications generally correspond to the need for a lower level of care and support.²⁴

Unlike the SAH program, the CHSP only has a single classification level. Older persons assessed as eligible for the CHSP do not receive different funding levels.

For the SAH program, the priority category indicates how long the older person is likely to wait until receiving funding. There are four priority categories, being urgent, high, medium and standard. As an example, an older person who is assigned a priority category of urgent can expect to wait less than a month, while those assigned a priority category of standard can now expect to wait between 7 to 8 months (when our investigation commenced this was between 10–11 months, but the My Aged Care website now cites the 7–8 month period). These wait times are indicative and ultimately depend on the availability of aged care service providers in the individual's area.

²² Department of Health, Disability and Ageing, Aged Care Assessment Manual (June 2026 v8.3), page 67.

²³ Department of Health, Disability and Ageing, Aged Care Assessment Manual (June 2026 v8.3), page 65.

²⁴ Department of Health, Disability and Ageing, Aged Care Assessment Manual (March 2026), page 175; *Aged Care Rules 2025* (Cth), section 81–10.



Overriding and changing the automated IAT decision

The Rules, through the Act, establish a criteria-based scoring system that restricts access to the CHSP and the SAH program unless certain scores are achieved. The following examples illustrate how this works in the context of the SAH program:

- The algorithm can only determine **classification eight funding** (the highest level of funding) where it calculates that the older person has:
 - a functional independence score of 0-24,
 - a needs met score of 0-22, and
 - significant compounding factors.²⁵
- The algorithm can only determine an **urgent priority category** for the older person where they score five or more points across the six fixed circumstances below.²⁶

Priority category points are drawn from the following six fixed circumstances:

1. that the older person lives alone – **one point**,
2. that the older person has a cognitive impairment – **one point**,
3. that the older person is Aboriginal or Torres Strait Islander – **one point**,
4. that the older person is homeless, or at risk of homelessness – **one point**,
5. that the older person has a need for urgent access to aged care services – **two points**,
6. that the older person meets certain waiting requirements and resides in a particular area – **one point**, and
7. That the older person has Motor Neurone Disease – 5 points²⁷.

²⁵ *Aged Care Rules 2025* (Cth), section 81-10. A detailed analysis concerning criteria-based scoring through the IAT's algorithm is outlined later in this report.

²⁶ *Aged Care Rules 2025* (Cth), section 87-5.

²⁷ The Aged Care Rules were updated on 13 August 2026 to add circumstance 7.



Inappropriate automated IAT decision for priority category – case study

‘The carer of their mother told us that following a needs assessment, the automated IAT decision produced a priority category of medium. This was despite the fact that their mother needed urgent access to a nurse or a carer who could administer vital medication at home. The carer told us that their mother was hospitalised after almost dying from serious complications as a result of a delay in receiving aged care services.’

A complaint to the Ombudsman

There is nothing in the Act or the Rules that allows assessors or assessment delegates (in step five below) to depart from the automated IAT decision once it is made.²⁸ This is despite the IAT having been designed with technical capacity to allow for human override of the automated decisions.²⁹

Overriding and changing outcomes – case study

There has been some confusion in relation to overriding and changing automated IAT decisions and why from November 2025, when the Act and the Rules commenced, the Department stopped this from happening. This confusion has come about for two primary reasons.

- First, between July 2024, when the IAT was first introduced, and October 2025, the IAT operated in a materially different way to the model that is now in operation. Although it was used during this period for needs assessments, it had not yet been embedded within the legislative framework and, as such, the algorithm that is in use today was not in operation.³⁰ Rather, **the IAT was a decision-making support tool**. It would provide a suggestion to the assessor about eligibility for the CHSP and the then equivalent of the SAH program

²⁸ Department of Health, Disability and Ageing, Aged Care Assessment Manual (March 2026), page 245. There are, however, provisions in the Act that accommodate changes to classification level and priority category on review where the outcome or the assessment is incorrect. These are discussed later in this report.

²⁹ Department of Health, Disability and Ageing, Aged Care Assessment Manual (March 2026), page 151.

³⁰ Department of Health, Disability and Ageing, RFI Response (May 2026), page 9; Community Affairs References Committee, Support at Home Program, Public Hearing (April 2026), page 18.

based on the information collected. As the name implies, this was not binding, nor was it an automated decision.³¹

- Second, the Department advised assessment providers via telephone, **the day before the Act and the Rules commenced in November 2025**,³² that it had been **providing incorrect advice** to them and the public that automated IAT decisions could be overridden and changed, when the Act and Rules were designed to ensure this could not occur.

By December 2025, the majority of assessment providers had raised serious concerns with the approach. Some of the issues raised included, for example:

- situations where the automated IAT decision did not align with an assessor's clinical judgment, particularly where the older person had complex needs,
- a lack of flexibility to override or change the automated IAT decisions may risk the safety of older persons and service adequacy, and
- the lack of appropriate escalation pathways for older persons with urgent needs.³³

Following the issue outlined above, the Department considered options to resolve some of these problems. One option involved amending the Rules to allow automated IAT decisions to be overridden and changed in certain cases,³⁴ a path which was ultimately not adopted.

Step 4 – Support planning

The support planning component of the needs assessment is where the assessor, while still with the older person, provides recommendations about what aged care services are, in their view, suitable for them (the older person). The support plan also includes a plain English summary of the assessment results and findings for the older person.

³¹ Department of Health, Disability and Ageing, RFI Response (May 2026), page 9. Under the 1997 Act, the IAT functioned as decision-making support assessment tool. The law did not prescribe a classification framework that automatically constrained eligibility outcomes to specific thresholds in the way the Act now does.

³² Department of Health, Disability and Ageing, RFI Response (June 2026), page 5.

³³ Department of Health, Disability and Ageing, RFI Response (June 2026), question 12, document E.

³⁴ Department of Health, Disability and Ageing, RFI Response (June 2026) question 12, document E.

If the IAT determines that an older person is not eligible for the CHSP or the SAH program, this does not necessarily mean that they cannot access any aged care services. In these cases, the assessor might still, for example, recommend residential aged care services rather than home-based aged care services.

Following completion of the support planning component of the IAT, assessors must provide the results to an assessment delegate.³⁵ The role of the assessment delegate is to decide whether to approve the older person's access to the recommended aged care services in the support plan.³⁶

Who are assessment delegates?

Assessment delegates work for assessment providers. They have delegated functions from the System Governor (the Secretary of the Department) to undertake needs assessments using the IAT. This means that the same assessment provider can undertake both needs assessment and approval functions for the same older person.³⁷

Importantly, where the automated IAT decision is the CHSP, the Department permits, through its guidance, the assessor to make the approval decision (i.e. the assessor can approve their own needs assessment).³⁸

Step 5 – Approval decision-making

The two-stage legal framework for decision-making and approval

The IAT makes **automated decisions** regarding eligibility by determining the older person's classification level, and in the case of the SAH program, also their priority category.³⁹ These outcomes then form the basis for a separate approval decision, whereby an assessment delegate decides whether to approve the older person's access to the aged care services recommended within the support plan.

³⁵ *Aged Care Act 2024* (Cth), section 63(1).

³⁶ *Aged Care Act 2024* (Cth), section 65(1).

³⁷ Department of Health, Disability and Ageing, *Aged Care Assessment Manual* (March 2026), pages 241 to 242.

³⁸ Department of Health, Disability and Ageing, *Integrated Assessment Tool Demonstration* (May 2026).

³⁹ *Aged Care Act 2024* (Cth), sections 78(1) and 86(1); Department of Health, Disability and Ageing, *Statement on Automated Administrative Actions* (December 2025), page 1.

It is important to emphasise that the decisions concerning classification and priority (being the automated IAT decisions) and the decision about approval (being a human decision) are all separate decisions, any or all of which can be subject to review under the Act.⁴⁰

In this sense, the legal framework can be understood as operating in two stages. First, the automated IAT function makes a decision applying the score-based criteria and second, the human approves access to aged care services based on the automated IAT decision.

The criteria for approving access to aged care services

Approval to access aged care services **cannot be granted** unless the assessment delegate is satisfied of each of the following matters:

- that the older person requires access to aged care services,⁴¹
- that the older person's access to aged care services should be approved,⁴²
- that the older person falls within one of three access pathways and that the recommended aged care services are necessary,⁴³ and
- that the older person meets any eligibility requirements prescribed by the Rules.⁴⁴

Access pathway for older persons who are not Aboriginal or Torres Strait Islander – example

For an older person who does not identify as Aboriginal or Torres Strait Islander, the assessment delegate **cannot approve** access to the recommended aged care services under the CHSP or the SAH program unless they have a long-term physical, mental, sensory or intellectual impairment that may hinder their participation in

⁴⁰ *Aged Care Act 2024* (Cth), section 557.

⁴¹ *Aged Care Act 2024* (Cth), section 65(1).

⁴² *Aged Care Act 2024* (Cth), section 65(1); Department of Health, Disability and Ageing, *Aged Care Assessment Manual* (March 2026), page 245.

⁴³ *Aged Care Act 2024* (Cth), section 65(3)(a).

⁴⁴ *Aged Care Act 2024* (Cth), section 65(3)(b).

society on an equal basis and the proposed aged care services are, in the view of the assessment delegate, necessary.⁴⁵

The relationship between the assessment delegate’s role in approval and the automated IAT decisions

Notwithstanding the use of automated decision-making, in the Department’s view, assessment delegates:

*... play an important role in reviewing and approving assessments, ensuring that decisions are legally sound, evidenced-based and meet all ... the eligibility criteria under the Act ...*⁴⁶

In our view, the practical and legal effect of the automated IAT decision-making function is that the criteria for approval under the Act operate almost solely in relation to support planning.⁴⁷

In other words, because automated decisions have already been made about classification level and, in the case of the SAH program priority category, there is no ability for the assessment delegate to change those outcomes. The table below provides some examples about how discretion is constrained.

Discretion	Example	Reason
Constrained	Once an assessment delegate has reviewed the automated decision, and is satisfied that there are no factual errors, the IAT is finalised and locked. In approving access for the SAH program, the assessment delegate cannot change the SAH classification level or priority category for the older person , even if	The Act requires the assessment delegate to establish a classification and a priority category using the framework set out in the Rules. ⁴⁸ Under the Act, these are automated decisions and there is no mechanism to depart from them.

⁴⁵ Aged Care Act 2024 (Cth), section 67(1).

⁴⁶ Department of Health, Disability and Ageing, RFI Response (May 2026), page 4.

⁴⁷ Department of Health, Disability and Ageing, RFI Response (May 2026), page 8.

⁴⁸ Aged Care Act 2024 (Cth), sections 78(1) and 86(1).



	they believe that either outcome is inappropriate.	
Constrained	Since 29 June 2026, it has been possible for ‘factual errors’ relating to IAT inputs to be corrected when identified by the assessment delegate. In these instances, the delegate returns the assessment to the assessor for correction. This type of input correction is permitted only once for each assessment (see page 21 above). ⁴⁹	The assessment section of the IAT locks after completion for the assessor and the assessment delegate. There is currently no mechanism for the assessment delegate to return the assessment to the assessor for a second time where the delegate is not satisfied that the identified factual error has been adequately corrected.
Somewhat constrained	The assessment delegate may form the view, for example, that different aged care services should form part of the older person’s support plan or that some of the recommended aged care services are not necessary.	As outlined in page 27 above, the assessment delegate is required to determine whether the older person falls within one of three access pathways and, in some cases, whether the recommended aged care services are necessary. In our view, most of the assessment delegate’s work, if not all of it, will be directed at whether, in their view, the recommended aged care services as part of the support plan are necessary.

⁴⁹ Department of Health, Disability and Ageing, RFI Response (August 2026), page 3.

As outlined in page 26 above, where the automated IAT decision is the CHSP, the assessment delegate is permitted by the Department to be the same person (i.e. the assessor),⁵⁰ and in practice the assessor is usually also the delegated decision-maker.⁵¹

Access approvals

The information below indicates the number of needs assessments that have occurred and how many of these led to access approvals for aged care services.⁵²

9 December 2024 to 31 October 2025 (under the 1997 Act)⁵³

Assessment type	Needs assessments	Services approved	Not approved
Home support [^]	236,390	307,892*	Data not provided
Comprehensive ^{^^}	185,941	452,614*	3,036

* A person may receive approval for more than one aged care service following an assessment. For this reason, the number of approvals exceed the total number of assessments completed in the period.

[^] Home Support assessment comprises the following aged care programs and services: Commonwealth Home Support Program, and Flexible Care. Flexible Care includes the Transition Care Program, Short Term Restorative Care, Multi-Purpose Service, and National Aboriginal and Torres Strait Islander Flexible Aged Care Program.

^{^^} Comprehensive assessment comprises the Commonwealth Home Support Program, Home Care Packages, Residential Care, and Flexible Care (as described above).

⁵⁰ Department of Health, Disability and Ageing, Integrated Assessment Tool Demonstration (May 2026).

⁵¹ Department of Health, Disability and Ageing, RFI Response (May 2026), page 9.

⁵² A home support assessment is generally used where an older person appears likely to require a lower level of support (i.e. the CHSP), while a comprehensive assessment is used where the needs are likely to be more substantial or complex (i.e. the SAH program). The two pathways involve different pathways within the IAT. However, a home support assessment will be converted to a comprehensive assessment where certain responses are provided. See Department of Health, Disability and Ageing, RFI Response (May 2026), page 9.

⁵³ The department was unable to provide data on the number of approvals when we requested it in May 2026. The department advised on 2 October 2026, during the procedural fairness process, that it had since developed a data reporting capability, and the data was then provided on 13 October 2026 after we again requested it.



1 November 2025 to 25 March 2026 (under the Act)

Assessment type	Needs assessments	Approved	Not approved
Home support [^]	87,078	107,246*	Data not provided
Comprehensive ^{^^}	103,205	211,844*	277*

* A person may receive approval for more than one aged care service following an assessment. For this reason, the number of approvals exceed the total number of assessments completed in the period.

[^] Home Support assessment comprises the following aged care programs and services: Commonwealth Home Support Program, and Other Specialist Aged Care Programs. Other Specialist Aged Care Programs include approvals for the National Aboriginal and Torres Strait Islander Flexible Aged Care Program, Multi-Purpose Service Program, and the Transition Care Program.

^{^^} Comprehensive assessment comprises the Commonwealth Home Support Program, Support at Home, Residential Care, and Other Specialist Aged Care Programs (as described above).

The above information should be considered in light of the fact that our complaint data and the assessment provider KPI data (see page 38 below) suggests that some older persons face unreasonable wait times to obtain a needs assessment or otherwise face difficulty finding an assessment provider that can undertake the task.

We also would have expected the Department to, at this point in time, be able to track approved and not approved outcomes for the home support assessment type. This is important data that can inform evaluation of the system.

Review options

Internal review

Following the decision by the assessment delegate, the older person will be notified of the outcome in writing. An older person who does not agree with the assessment delegate's decision can seek an internal review within 28 days.⁵⁴ The Act specifies that internal review is a **reconsideration** of the matter and the internal reviewer can affirm, vary or set aside the decision.⁵⁵

The Administrative Review Council has noted that, for internal review:

- the internal reviewer “stands in the shoes” of the assessment delegate and in effect, re-exercises their statutory decision-making powers,
- the internal reviewer can consider new information, and
- the internal reviewer is not required to find error in the decision to come to a different view.⁵⁶

The internal reviewer is also required to use the IAT, which means that the IAT is again the actual decision-maker. The only difference, however, is that unlike the assessment delegate, the internal reviewer **can change inputs** to the IAT. The Department explained how this works as follows:

*... should there be evidence (including new evidence) to support that an input to the IAT was incorrect or requires amendment based on all the available evidence **at the time of review**, the internal ... reviewer will amend the entries to the IAT [to] produce a new outcome.⁵⁷ (emphasis added)*

⁵⁴ *Aged Care Act 2024* (Cth), sections 559(1)–(4).

⁵⁵ *Aged Care Act 2024* (Cth), sections 560(3) and 564(1).

⁵⁶ See, for example, Administrative Review Council, “Internal Review of Agency Decision-making” (November 2000), paragraph [3.2]; *Shi v Migration Agents Registration Authority* (2008) 248 ALR 390; Department of Health, Disability and Ageing, RFI Response (February 2026), page 10; Department of Health, Disability and Ageing, Aged Care Assessment Manual (March 2026), page 346.

⁵⁷ Department of Health, Disability and Ageing, RFI Response (February 2026), page 10.



The Department told us, generally speaking, a decision to set aside or vary the original decision occurs because additional information was provided to the internal reviewer that was not available to the assessment delegate or there were IAT input errors detected (that were subsequently corrected).⁵⁸

Internal reviews between December 2024 and March 2025

Dec 2024 – Jun 2025	Jul 2025 – Oct 2025	Nov 2025 – Mar 2026
The Department received 105 requests for an internal review. In 37 (35%) of these cases, the Department set aside and varied the original decision. ⁵⁹	The Department received 188 requests for an internal review. In 81 (43%) of these cases, the Department set aside and varied the original decision. ⁶⁰	The Department received 915 requests for an internal review. Out of 156 matters reviewed so far, the Department has set aside or varied the original decision in 40 (25%) cases. ⁶¹

Since November 2025, on average, the Department has taken 72 days to finalise internal reviews.⁶² Once an internal review is finalised, the older person receives notice of the outcome within 24 hours.⁶³

External review

The Administrative Review Tribunal

A person who does not agree with the decision of the internal reviewer can seek an external review through the Administrative Review Tribunal (ART).⁶⁴ Like internal review, the function of the ART is to review the merits of the decision.

⁵⁸ Department of Health, Disability and Ageing, RFI Response (April 2026), page 11.

⁵⁹ Department of Health, Disability and Ageing, RFI Response (April 2026), page 10.

⁶⁰ Department of Health, Disability and Ageing, RFI Response (April 2026), page 10.

⁶¹ Department of Health, Disability and Ageing, RFI Response (April 2026), page 10.

⁶² Department of Health, Disability and Ageing, RFI Response (April 2026), page 11. As per section 560(5)(c) of the *Aged Care Act 2024* (Cth), the Department must complete the internal review within 90 days.

⁶³ Department of Health, Disability and Ageing, RFI Response (April 2026), page 11.

⁶⁴ *Aged Care Act 2024* (Cth), section 566(1).



Given the legal framework involved in approving access to aged care services, we asked the Department whether, in its view, the ART is permitted to depart from using the IAT when undertaking merits review of a decision.

Concerningly, the Department did not know the answer to this and is in the process of considering this matter together with a number of related legal issues.⁶⁵

Legal uncertainty creates legal risks – example

In our view, if the Department takes the position that the ART can depart from using the IAT, in other words that it can make a decision about classification level and/or priority category without needing to run the algorithm, then so can the internal reviewer. And if the internal reviewer can depart from this, then that has significant legal implications for other individuals, including persons who have sought a review and have been unsuccessful on the basis that only inputs can be changed.

If the Department takes the position that this is because the IAT does not include the algorithm, as it has indicated publicly and to us in its responses to our investigation, then this raises further questions about the validity of decisions that have been made by assessment delegates and internal reviewers in reliance on the algorithm's outcomes.

The Federal Court and the High Court

Another avenue available to a person who disagrees with a decision is to seek judicial review. Judicial review is very different from merits review. In judicial review, a court looks at the decision to see if there was any legal error. As such, they do not consider whether another decision would be preferable or “stand in the shoes” of the decision-maker.

⁶⁵ Department of Health, Disability and Ageing, RFI Response (May 2026), page 10.

The SAS workforce

Assessment providers under the SAS

Under the SAS, the government, through the Department, contracted the SAS workforce to undertake needs assessments and approval functions under the Act and the Rules. There are presently 22⁶⁶ assessment providers delivering needs assessments across various service areas in Australia.⁶⁷

Assessment providers can be State government bodies or private organisations. For example, in NSW service area one, which comprises Northern Sydney, Western Sydney and the Inner West, there are four assessment providers, being Aspire4Life, Catholic Healthcare, Community Options and the NSW Health Administration Corporation.⁶⁸

Assessment provider performance

Apart from the functions that assessment providers are delegated under the Act and the Rules (and any obligations arising under those), the contractual relationship between the Department and each assessment provider creates a significant number of performance requirements.

Each contract contains a Statement of Requirement (SoR) that sets out the roles and responsibilities of both the Department and each assessment provider in delivering the SAS.

Assessment provider performance defined

For this investigation, we have defined assessment provider performance as the extent to which an assessment provider is meeting its performance requirements

⁶⁶ Department of Health, Disability and Ageing, RFI Response (April 2026), page 5.

⁶⁷ Department of Health, Disability and Ageing, Single Assessment System Assessment Organisations by Service Area, Region, State and Territory (September 2025).

⁶⁸ Department of Health, Disability and Ageing, Single Assessment System Assessment Organisations by Service Area, Region, State and Territory (September 2025).

under their contract with the government. Our investigation focuses on the following assessment provider requirements under the SoR, comprising the requirement to:

- meet their key performance indicators (KPIs),⁶⁹
- ensure that their assessors have met learning requirements,⁷⁰
- ensure that their assessors use the IAT appropriately,⁷¹ and
- embed quality assurance processes and controls.⁷²

These are referred to below as the **in-focus contract areas**.

The role of the Department in overseeing performance

According to the Department, performance management is a critical element used to assess whether each assessment provider is meeting or exceeding its obligations under the contract.⁷³

Remediation for poor performance

The primary remedy available to the Department where poor performance is identified is to require the assessment provider to enter into **a remediation plan** for the approval of the Department.⁷⁴ Assessment providers must comply with any approved remediation plan and a failure to comply may lead to termination (i.e. removal) from the SAS workforce.⁷⁵

According to the Department, "... contract termination should only be considered as a last resort and after all attempts to resolve issues using dispute resolution have been

⁶⁹ See, for example, Department of Health, Disability and Ageing, Services to Support the Single Assessment System: Attachment B to the Contract, Statement of Requirement, pages 64 to 68 ("Statement of Requirement").

⁷⁰ See, for example, Statement of Requirement, pages 68 to 69.

⁷¹ See, for example, Statement of Requirement, pages 6 to 7.

⁷² See, for example, Statement of Requirement, pages 68 to 69.

⁷³ Department of Health, Disability and Ageing, Contract for the Provision of Services to Support the Single Assessment System: Contract Management Plan (November 2025), page 36 ("Contract Management Plan").

⁷⁴ Contract Management Plan, page 39.

⁷⁵ Contract Management Plan, page 39.

exhausted”.⁷⁶ Removal as an assessment provider is governed exclusively under the contract.

The Department told us that it will not enforce assessment provider performance requirements until after 30 June 2026, despite most contracts commencing in December 2024 (i.e. when the SAS workforce was established).⁷⁷

The Department explained the rationale for this position as follows:

*Performance has varied between [assessment providers], with some experiencing more significant workforce and operational pressures than others due to the high level of change in the assessment system. In view of this, the Department has taken a flexible approach to contract management obligations, noting that this flexibility is giving the assessment [providers] additional time [to comply with their obligations].*⁷⁸

Following the above, the Department initially told us it had not required any assessment provider to enter into a remediation plan. The Department told us it had verbally advised each assessment provider that after 30 June 2026, a performance failure “... will trigger a request for a remediation plan”.⁷⁹

In August 2026, the Department told us that remediation plans were in place for 4 of the 22 assessment organisations by late June 2026, with an additional assessment organisation having its remediation plan in place by early July 2026. These 5 assessment organisations are required to meet the remediation actions outlined in their respective plans by 30 September 2026. The remediation actions related to:

- referrals outstanding for more than 365 days
- high-priority comprehensive referrals outstanding for more than 90 days

⁷⁶ Contract Management Plan, page 33.

⁷⁷ Department of Health, Disability and Ageing, RFI Response (December 2025), page 1; Department of Health, Disability and Ageing, RFI Response (June 2026), page 3; Contract Management Plan, page 8.

⁷⁸ Department of Health, Disability and Ageing, RFI Response (June 2026), page 7.

⁷⁹ Department of Health, Disability and Ageing, RFI Response (June 2026), page 3. From 1 July 2026, when KPIs become enforceable, the Department expects to request remediation plans from four assessment providers. Additionally, all assessment providers have been notified that any assessment referrals outstanding for more than 365 days will immediately trigger the need for a remediation plan.

- contract deliverables not being up to date.⁸⁰

The Department undertakes a range of activities in overseeing provider performance (i.e. examining whether assessment providers are meeting their requirements under the contract). It told us, for example:

*performance is closely tracked through contract management procedures, reviewing ... reports, such as referral volumes, unresolved assessments, KPIs, and wait times, as well as monitoring the assessment [provider's] workforce and client feedback ... Contract management activities, including stakeholder meetings, help to identify risks and mitigation strategies that may impact an assessment [provider's] KPIs and the broader [SAS] ...*⁸¹

The Department also indicated that it undertakes audits/reviews and comparative analysis of needs assessments across all assessment providers to support service delivery and drive continuous improvement in the quality of assessment practices.⁸²

The Department does not however look at how providers have trained or developed the necessary capability in their workforces.

In-focus contract areas

KPIs

Assessment providers are required to meet KPIs in relation to their delivery of needs assessment and approval functions under the SAS. Currently, KPI data is only available for the period **1 July 2025 to 31 December 2025**. The themes from the KPI data that we reviewed indicated instances of significant underperformance (that is, performance of 20% or more below the targets outlined below)⁸³ across a range of metrics, including across targets requiring that:

⁸¹ Department of Health, Disability and Ageing, RFI Response (December 2025), page 1.

⁸² Department of Health, Disability and Ageing, RFI Response (December 2025), page 1.

⁸³ For the purposes of this finding, we have defined significant underperformance as a KPI being underperformed by 20% or more.

- 90% of older persons were contacted and an eligibility decision was made within three days after the assessment provider accepted the referral,
- 90% of referrals led to a completed needs assessment within 10 calendar days (high priority), 14 calendar days (medium priority) and 21 days (low priority),
- 90% of needs assessment reviews were completed within 15 days,
- 50% of needs assessments for an older person in a remote location were conducted face to-face, and
- 95% of needs assessments for an older person in a non-remote location were conducted face-to-face.

Between **1 January 2025** to **31 June 2025**, the Department did not require assessment providers to report on their KPIs.⁸⁴

Learning requirements

The My Aged Care Workforce Learning Strategy (the Learning Strategy) and the My Aged Care Quality Learning Framework (the Learning Framework) establish a detailed capability model for the SAS workforce.

The Learning Strategy defines the workforce learning requirements (**what needs to be done**) and allocates responsibilities for meeting those requirements (**who needs to do those things**),⁸⁵ while the Learning Framework describes the mechanisms through which those requirements are delivered, assessed and verified.⁸⁶ The Department provides the online learning environment that contains learning activities which need to be completed under the Learning Strategy.⁸⁷ These include, for example, online training modules and quizzes.

Under the Learning Strategy, assessment providers are responsible for ensuring that triage delegates, assessors and assessment delegates satisfy the learning

⁸⁴ The rationale provided by the Department was "... to enable assessment [providers] to take the necessary actions to prepare for the implementation of [the] aged care reforms".

⁸⁵ Department of Health, Disability and Ageing, My Aged Care Workforce Learning Strategy (July 2025), pages 5 to 7 (the Learning Strategy).

⁸⁶ Department of Health, Disability and Ageing, My Aged Care Quality Learning Framework for the Screening and Assessment Workforce (March 2026), page 6 (the Learning Framework).

⁸⁷ Department of Health, Disability and Ageing, RFI Response (March 2026), pages 5 to 6.

requirements, including ensuring that staff hold appropriate qualifications and complete mandatory training.⁸⁸

The Department's role in checking compliance with the learning requirements that it sets is limited. In other words, it undertakes little to no meaningful assurance activities to determine whether the learning requirements it has set are being complied with.

Appropriateness of IAT use and assessment provider quality assurance

Between **9 December 2024** and **25 March 2026**, the Department undertook 3,658 audits/reviews concerning needs assessments across all assessment providers.⁸⁹ This figure comprised 3,602 routine audits/reviews and 56 targeted (or proactive) audits/reviews following Ministerial correspondence or an internal referral.⁹⁰

As per the data outlined in page 33 above, this represents **0.6%** of the number of needs assessments undertaken in the same period. Outside of the above sampling audits of needs assessments, the Department did not draw our attention to any proactive or reactive audits/reviews it conducts to ensure that assessment providers have embedded appropriate quality assurance processes and controls more generally, for example, outside of IAT use.⁹¹

Information about making a complaint

Older persons and other members of the public who are dissatisfied with any aspect of their aged care experience can make a complaint to an assessment provider and/or the Department. Information in relation to complaints is located on the My Aged Care website and is organised by complaint type.

For concerns about services provided by My Aged Care, people are encouraged to contact My Aged Care directly. For all other matters, including, for example, concerns about an assessment provider or a needs assessment, **people are asked to first raise the matter directly with the assessment provider** and only then, if they are not satisfied with the outcome, to contact the Department.

⁸⁸ The Learning Strategy, page 8.

⁸⁹ Department of Health, Disability and Ageing, RFI Response (March 2026), page 5.

⁹⁰ Department of Health, Disability and Ageing, RFI Response (March 2026), page 5.

⁹¹ Department of Health, Disability and Ageing, RFI Response (March 2026), page 5; Department of Health, Disability and Ageing, RFI Response (May 2026), page 6.

Notwithstanding the above instruction, the Department advised us that it accepts all complaints received, regardless of whether the person has first contacted or attempted to contact the assessment provider.⁹² The Department does not record data of whether this has happened, as it does not affect their management of the complaint.⁹³

The My Aged Care website does not provide any information in relation to:

- how complaints are dealt by the Department,
- the potential outcomes following complaints,
- the Department's timeframes for dealing with complaints, and
- how updates will be provided by the Department in relation complaints.

How complaint information is used

We asked whether the Department used complaint information to assist in planning audits/reviews and if so, how many complaints led to this. The Department said the following:

*... individual matters are generally actioned to obtain or assess detailed, case-specific information relating to individual [needs] assessments. While insights from these matters may, over time, contribute to the Department's understanding of potential issues, **they are not routinely used as the primary basis for larger scale desktop assurance activity.***⁹⁴ (emphasis added)

⁹² Department of Health, Disability and Ageing, RFI Response (March 2026), page 3.

⁹³ Department of Health, Disability and Ageing, RFI Response (March 2026), page 3.

⁹⁴ Department of Health, Disability and Ageing, RFI Response (March 2026), page 4.

Part 2. Analysis of the IAT and the decision-making framework

Automated decision-making in government

Degrees of human involvement

Automation refers to the degree that a system acts without human intervention or control in some domain.⁹⁵ In the context of decision-making in government, we can distinguish:

... between a system that makes a decision and a system that supports a human decision-maker. For example, the output of a system might be framed as a decision that is implemented (by humans or by the system itself) or as a recommendation or input to a human-decision-maker, who may take other factors into account in making a decision.⁹⁶

When considering the nature of the IAT and the role that automation plays, it is useful to identify the range of ways that the IAT could be used.

⁹⁵ AI Decision-Making and the Courts, section 2.3.

⁹⁶ AI Decision-Making and the Courts, section 2.3.

Approach	Description	Was this used or proposed?
High human involvement and discretion	The IAT would convert assessment inputs into outcomes through an algorithm, however, these would not be automated decisions , and they would only serve as guidance only. The assessor and the delegated decision-maker would consider the outcome alongside other information.	The Department used a similar model between July 2024 and October 2025 (see page 24 above).
Moderate human involvement and discretion	The IAT would convert assessment inputs into outcomes through an algorithm, and these would be automated decisions . However, the assessor and the delegated decision-maker would retain the ability to override and change the outcome.	Before the commencement of the Act and the Rules, the Department indicated that the IAT would function like this (see page 54 below).
Low or no meaningful human involvement and discretion	The IAT would convert assessment inputs into outcomes through an algorithm, and these would be automated decisions . Though, unlike the above, the outcome would not be able to be overridden and changed other than through changing the inputs.	This represents the actual current operation of the IAT.

In our view, the use of automated decision-making both generally in government and within the aged care system is not, of itself, problematic. In this regard:

[automated decision-making] ... can assist individuals making administrative decisions or help identify relevant criteria, evidence or particular issues for consideration. Automation has the potential to make decision-making more accurate, consistent, cost-effective, timely

*and diminish the risk the decision will be invalidated due to improper motivations or bad faith.*⁹⁷

Despite these potential benefits, problems can arise when, for example, automated decision-making is used without the ability for human intervention, where there is a lack of transparency, where there has been no meaningful evaluation of potential risks, where there have been design or consultation deficiencies, where there are a lack of safeguards or where it is simply not appropriate in the circumstances. It is in these areas that we have concerns with the IAT.

⁹⁷ Judicial Commission of New South Wales, “Computer Says “No”: Automation, Algorithm and Artificial Intelligence in Government Decision-making” (October 2021).

Our concerns with the IAT in its current form

1. Allowing assessor judgement and expertise to inform inputs but not outcomes

The Department has emphasised consistency as a key rationale behind the introduction and use of the IAT. According to the Department, older persons with similar needs and similar clinical characteristics should receive the same level of care and funding, and the IAT helps achieve this by significantly limiting the ability of the assessor and the assessment delegate to form a different view.

In our view, this gives rise to an inherent contradiction. While judgement has been removed from determining outcomes for home support, in an attempt to achieve more consistency, it remains embedded in the assessment process itself. Assessors must necessarily exercise judgement to interpret and record an older person's circumstances and different assessors may reasonably form different views about the same individual, leading to different inputs and, therefore, different scores and different outcomes.

This situation has implications for public confidence in the IAT. Where outcomes are presented as objective and consistent, but in practice depend on subjective inputs from assessors, the public may perceive the system as arbitrary or unfair. This is because, among other things:

- despite the importance of the assessor function, the Department undertakes a limited role in ensuring that the assessor workforce is complying with learning requirements,
- the automated IAT decisions cannot be overridden and changed, even if those outcomes are considered clinically inappropriate by the assessor, the assessment delegate and/or the internal reviewer, and
- it is unclear how the algorithm interprets information and produces scores.

After we commenced this investigation, the government announced⁹⁸ that it will create a new escalation process, through legislation, for people whose circumstances are complex and may not be adequately addressed by the current arrangements. Under the proposed process, assessment providers would be able to refer certain assessment outcomes to the Department for further consideration and, where appropriate, adjustment.

This is a potentially positive development, as it suggests government recognises that the current system is not always equipped to properly account for people with complex or unusual circumstances. However, it is still unclear how the proposed process would work in practice or how often it would be available. As the change requires legislative amendment, it is also likely to take time to implement. In the meantime, people with complex circumstances remain subject to a system that may not be capable of adequately reflecting their needs.

2. The Department's characterisation of the automated IAT decisions as involving objective and binary methodology does not reflect the evaluative nature of classification and prioritisation

In response to questions raised by the **Senate Standing Committee for the Scrutiny of Delegated Legislation** (the SDL Committee) during the scrutiny phase of the then bill (i.e. the draft Act), the Minister advised the SDL Committee that:

*... only decisions that are sufficiently supported by objective and binary criteria and methods are intended to be automated and that more complex discretionary or subjective decisions will continue to be made by a human.*⁹⁹

⁹⁸ Department of Health, Disability and Ageing, RFI Response (August 2026), page 3.

⁹⁹ F2025L01173, Delegated Legislation Monitor (February 2026), page 19.

In our view, the Department appears to regard the needs assessment process as objective because, in using the IAT, assessors are required to follow a standardised methodology, answer prescribed questions and input structured responses. The use of standardised questions (with standardised responses) and scoring thresholds may improve consistency and reduce variability between assessors. However, in our view, this does not remove the evaluative nature of the input process, as outlined in page 45 above.

It is difficult to characterise decisions regarding whether an older person is eligible for home support and if so, how much funding they should be provided (which is precisely what the classification decision does) as purely objective or binary. The same applies in relation to the prioritisation of their needs.

We are not suggesting that the IAT necessarily produces inappropriate outcomes. Rather, the concern is that the Department’s characterisation of the automated IAT decision-making function as objective is being used to justify it in its current form, and we think that this characterisation is mistaken.

3. There is no public information about how the algorithm converts inputs into outcomes

As outlined in page 23 above, as an example, for an automated IAT decision to produce the highest level of funding (classification eight) for the SAH program, the older person must achieve a functional independence score of 0-24, a needs met score of 0-22 and have significant compounding factors.¹⁰⁰ These terms are defined in the Rules as follows:

Functional independence score in the IAT	Needs met score in the IAT	Significant compounding factors in the IAT
The older person’s total score for the questions in the function section (with some exceptions) and the De	The older person’s total score for the “is the need being met?” questions in the IAT	An older person has significant compounding factors if their total

¹⁰⁰ *Aged Care Rules 2025* (Cth), section 81-10.



Morton Mobility Index (DEMMI) Modified section. ¹⁰¹	(which sit under the function section). ¹⁰² There are 23 ¹⁰³ “is the need being met?” questions in the IAT, each with four possible answers: “completely unmet”, “partially unmet”, “completely met” and “client does not require assistance”.	compounding factors score ¹⁰⁴ indicates that they have significantly higher care needs relative to the needs of other older persons with similar total functional independence and needs met scores. ¹⁰⁵
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While, as outlined above, the legislative framework identifies the inputs of the IAT that inform the scores underpinning the automated IAT decision, it does not explain how those scores are calculated in practice. For example:

- The functional independence score is made up of a significant number of questions with a great degree of variability in how they can be answered. There is no publicly available information about how these questions are weighed (if at all) and how the questions interact with each other to produce a final score.
- Some questions can be answered “other” and a free text field is provided for the assessor to expand on the answer. However, as outlined in page 55 below, **free text inputs are not considered by the algorithm**, so any additional information input by the assessor in the free text field will be disregarded. There is no publicly available information on how answers of “other” are scored or weighed.

In our view, knowing which questions inform the scores underpinning the automated IAT decision is not enough to make the system transparent. The public, and to a greater extent the people about whom decisions are being made, should have some understanding of how the algorithm produces scores. Without this, the IAT is arguably a technological black box.

¹⁰¹ *Aged Care Rules 2025* (Cth), section 5-5.

¹⁰² *Aged Care Rules 2025* (Cth), section 5-5.

¹⁰³ When we began our investigation there were 22 categories, but this was increased to 23 through amendment of the *Aged Care Rules* on 1 July 2026.

¹⁰⁴ *Aged Care Rules 2025* (Cth), section 81-7 outlines the sections of the IAT that are used to determine the older persons compounding factors score.

¹⁰⁵ *Aged Care Rules 2025* (Cth), section 5-5.

What is a technological black box?

“A technological black box refers to a situation where the inner workings of some technological system are unknown or hidden. Even if humans can sometimes understand the inputs and outputs of a technological system, were they to view the inner workings of that system, they might find it incomprehensible”.¹⁰⁶

Knowing how scores are calculated would make it easier to identify whether the IAT is producing outcomes that do not reflect an older person’s actual circumstances. For example, if the scoring methodology were transparent, an older person could better understand whether a particular response had an unexpectedly large impact on their classification level, whether certain questions were weighed more heavily than others, or whether a recorded answer was inconsistent with the outcome produced.

If the Department is concerned that greater transparency on the calculation of scores may lead to people “gaming” the process in order to qualify for higher levels of benefits, the solution should be in assurance and oversight of assessors and assessments, rather than in denying people any understanding of how decisions are being made that may have a significant impact upon their lives.

4. The Department’s implementation of the IAT does not comply with the recommendations made by the Royal Commission into the Robodebt Scheme regarding automated decision-making

Recommendation 17.1 of the Royal Commission into the Robodebt Scheme (the Commission) provided specific guidance about what agencies should do when implementing automated decision-making.

¹⁰⁶ AI Decision-Making and the Courts, section 2.11.

Recommendation 17.1 of the Commission provides that where agencies use automated decision-making, they should ensure:

- that their websites contain information, in plain language, explaining that automated decision-making is used and how the process works, and
- that relevant business rules and algorithms are readily available to enable independent expert scrutiny.¹⁰⁷

In 2023, the government accepted the recommendation, stating:

*[t]he safe and responsible development and deployment of automated decision-making provides important opportunities to deliver timely and efficient services for Australians.*¹⁰⁸

In response to questions raised by the SDL Committee during the scrutiny phase of the then Bill, the Minister advised the SDL Committee that:

*... the Department referred [components of] the Act to the Attorney-General's Department to ensure a consistent legal framework regarding automated decision-making (as per recommendations 17.1 and 17.2 of the Royal Commission into the Robodebt Scheme).*¹⁰⁹

As outlined in page 48 above, these requirements have not been adhered to. One of the reasons proffered by the Department as to why the operation of the algorithm has not been made available to the public is that to do so might allow individuals, including assessors, to game the system.¹¹⁰ The difficulty with this proposition is that, in our view, it contradicts the importance that the Department has placed on the assessor function as providing the sole input to the automated decision-making. Either assessors can be trusted to act professionally and with integrity, with appropriate assurance mechanisms and oversight, or they cannot. If they cannot, this further calls into question the supposedly objective nature of their inputs.

¹⁰⁷ Royal Commission Into the Robodebt Scheme, Final Report (July 2023), page xvi.

¹⁰⁸ Australian Government, Government Response: Royal Commission Into the Robodebt Scheme (November 2023), page 21.

¹⁰⁹ F2025L01173, Delegated Legislation Monitor (February 2026), page 18.

¹¹⁰ Community Affairs Legislation Committee, Estimates, Public Hearing (June 2026), pages 62 to 63.

In addition to the above, recommendation 17.1 of the Royal Commission also provides that agencies should ensure that there is a clear path for those affected by automated decisions to seek review. While review options are available, in our view, for the following reasons, it is not correct to categorise these as clear.

- It is difficult to accept that a clear path of review exists where the Department itself does not understand the legal implications of the framework that it has created.
- The Department does not provide any meaningful information to the public about how internal review operates, including the fact that internal reviewers are still bound by the automated IAT decision.
- Internal correspondence from the Department demonstrates that it had a specific concern about this component of recommendation 17.1. In October 2025, a senior executive of the Department said the following to a more senior executive:

*'I am concerned that our current framework does not satisfy the first of these requirements (that there be a clear path for those affected to seek review), because it appears [that] the review pathways only allow for the algorithm outcomes to be confirmed.'*¹¹¹

Despite assurances from the Minister to the SDL Committee that the Department was aware of the Royal Commission's recommendations and had consulted with the Attorney General's Department about their applicability to the Act, the requirements of recommendation 17.1 have not been adhered to.

¹¹¹ Department of Health, Disability and Ageing, RFI Response (June 2026), question 12, document C.

5. Information published regarding the development of the IAT suggested that key trials and consultation over several years directly supported the implemented framework, but that was not correct

In defending the appropriateness of the IAT and its approach to design and development, the Department has told the public, in various forms, that the IAT:

- was developed in consultation with assessment providers,
- was developed in consultation with critical working groups, and
- was trialled in various settings.

The IAT in its current form

When we refer to the IAT in its current form, we are referring to the following characteristics in relation to its current operation:

- inputs are locked after the assessment section is finalised for both the assessor and the delegated decision-maker,
- the IAT, through the algorithm, makes automated decisions and there is no ability to change these if they are considered clinically inappropriate,
- the structure of the IAT comprising assessment, automated decision-making and support planning,
- the classification framework tied to the automated decisions, comprising eight levels for the SAH program and one for the CHSP, and
- the priority framework for the SAH program.

In our view, for the reasons outlined below, the operation of the IAT in its current form occurred:



- without meaningful consultation with critical working groups, and
- without a meaningful trial.

The issue of consultation with assessment providers is dealt with in page 56 below.

Consultation with critical working groups

Early design and development – the role of HealthConsult Pty Ltd

HealthConsult Pty Ltd (HealthConsult/the company) was engaged by the Department to undertake two important stages of work in relation to the development of the IAT.¹¹²

- The first stage, undertaken between January 2020 and May 2020, involved the company developing options to inform an eventual assessment, classification and funding model to underpin the SAS.¹¹³
- The second stage, undertaken between August 2020 and December 2021, involved, among other things, the development of a prototype IAT (the prototype IAT) and an associated classification and funding system.¹¹⁴

Development involved four separate working groups that oversaw this effort, comprising **the expert panel, the assessment working group, the classification working group** and **the funding working group**. Individuals in the working groups had mixed discipline experience, including clinical and non-clinical.¹¹⁵

Critically, the prototype IAT which was developed through the above stages of work was different in a number of material respects to the IAT in its current form.¹¹⁶ For example, it incorporated, in this order:

¹¹² HealthConsult Pty Ltd, RFI Response (May 2026), page 1.

¹¹³ HealthConsult Pty Ltd, RFI Response (June 2026), page 3.

¹¹⁴ HealthConsult Pty Ltd, RFI Response (June 2026), page 3.

¹¹⁵ HealthConsult Pty Ltd, RFI Response (May 2026), page 3; HealthConsult Pty Ltd, Part B: Develop the Assessment, Classification and Funding Model to Underpin the Single in Home Care Program (March 2021), page 2.

¹¹⁶ HealthConsult Pty Ltd, Development of the Assessment, Classification and Funding Model to Underpin the Support at Home Program (February 2022), pages 7 to 9.

- an assessment of the older person's care needs through 15 domains. There were three levels of assessment questions, comprising base questions and advanced and extended questions, when triggered,
- a determination, **by the assessor**, as to whether the older person is suitable for:
 - support at home services, or
 - reablement, or
 - restorative care,
- if the older person is not suitable for support at home services, **in the view of the assessor**, the IAT would run an algorithm to classify **the older person into one of two streams, a service event stream or episode level stream**, and
- the completion of a support action plan following the above.¹¹⁷

In significant contrast to the IAT in its current form, the prototype IAT was described in internal documentation as “... **a decision support tool** [that] does not replace an assessors knowledge/skills obtained through being an experienced aged care assessor”.¹¹⁸ (emphasis added)

In relation to the classification system/algorithm, HealthConsult indicated that this was a branched casemix-style framework comprising 14 classes.¹¹⁹ As outlined in this report, the Department did not ultimately opt for this model. In this regard, HealthConsult emphasised the importance of distinguishing:

*... between the classification [system] developed by HealthConsult and the classification [system] subsequently implemented by the Department when analysing any issues arising in practice.*¹²⁰

It does not take any special experience to see that the functionality and nature of the prototype IAT was considerably different to the IAT in its current form. Yet, it was the

¹¹⁷ HealthConsult Pty Ltd, Development of the Assessment, Classification and Funding Model to Underpin the Support at Home Program IAT 2.0 Training Manual (February 2022), pages 18 to 19.

¹¹⁸ HealthConsult Pty Ltd, Development of the Assessment, Classification and Funding Model to Underpin the Support at Home Program IAT 2.0 Training Manual (February 2022), page 18.

¹¹⁹ HealthConsult Pty Ltd, RFI Response (May 2026), page 8.

¹²⁰ HealthConsult Pty Ltd, RFI Response (May 2026), page 8.

prototype IAT that was developed by and with the assistance of the working groups, not the IAT in its current form.

The IAT, free text and the importance of proper consultation – case study

There are a significant number of places in the IAT (in its current form) available for assessors to input free text if they wish to do so. In addition, many questions, when answered “yes” or “other”, ask the assessor to specify further information.

The information that is being sought, in many cases, appears significant. For example, in the “function” component of the IAT assessment, the IAT provides a free text box for assessors to record their general observations of the older person. It states:

... during an assessment, observation provides an opportunity to note [an older person’s] abilities. An assessor can make observations about [their] energy levels, stamina, comprehension, memory, concentration, physical appearance and interpersonal behaviour. The extent to which a client engages in the assessment can indicate how they will engage in interventions or goal setting.¹²¹

This is potentially significant information, yet it plays no part in the automated IAT decision: it is not considered by the algorithm.

According to the Department, a key piece of feedback received from the IAT trials was that assessors found the ability to input free text very important.¹²²

Yet, for the reasons above and below, **it is unlikely that these same people had any idea that this information would not be, or could not be, considered in determining eligibility.**

In our view, the issue is not that free text should be incorporated into the algorithm itself. In many cases, as a matter of logic, qualitative information about an older person’s circumstances, risks and lived experience would not be capable of being reliably reduced to a standardised numerical input.

¹²¹ Integrated Assessment Tool, Offline Version, Accessed April 2026.

¹²² See, for example, Community Affairs References Committee, Support at Home Program, Public Hearing (April 2026), pages 13 to 14.

However, if free text inputs are, as the Department rightly notes, important components of each needs assessment, but they are not taken into account by the automated IAT decision, then the system will create outcomes based on incomplete information.

If important information cannot be meaningfully incorporated into a deterministic model, then in our view this supports an argument against making the function of the IAT determinative **without** the possibility for human intervention. At the very least, human intervention should be able to see if the free text information would warrant changing the automated decision.

Trialling the prototype IAT

As outlined above, in the developing the IAT, two important trials were undertaken. A summary of these and some of their limitations are outlined below.

Activity	Summary	Some limitations
Prototype IAT living lab trial (March 2022 to June 2022) ¹²³	Assessors used the prototype IAT to complete assessments for hypothetical older persons (people playing their part). ¹²⁴	As outlined in page 54 above, there are significant differences between the prototype IAT and the IAT in its current form. They are, in our view, not comparable to each other.
Prototype IAT live trial (April 2023 to July 2023) ¹²⁵	Assessment providers used a version of the IAT with no algorithm to complete 22,002 “real world” needs assessments for older persons. ¹²⁶	This trial was conducted under the 1997 Act (the law that was in force at the time). The feedback provided by assessors and assessment providers about how they found using the IAT, although no doubt important, did not at all relate to (and could not have considered) its appropriateness for

¹²³ HealthConsult Pty Ltd, RFI Response (June 2026), page 3.

¹²⁴ Community Affairs References Committee, Support at Home Program, Public Hearing (April 2026), page 13; Department of Health, Disability and Ageing, RFI Response (June 2026), page 3.

¹²⁵ Integrated Assessment Tool Live Trial, Final Report (September 2023), page 7.

¹²⁶ Integrated Assessment Tool Live Trial, Final Report (September 2023), page 34.



		deterministic (or automated) decision-making. ¹²⁷
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Distinguishing between the purpose of trials

It is important to differentiate between two situations:

- trials undertaken to gather data to develop a suitable classification system/algorithm, which is what both prototype live trials were used for, and
- trials undertaken to assess the operation of the system as a whole (i.e. the IAT in its current form).

While the trials to obtain data were no doubt important components of development, they did not, in any way, provide information about how the IAT would work in practice once the eventual algorithm chosen became part of a broader assessment, decision-making and support planning process.

6. The IAT, in its current form, was implemented without any meaningful risk assessment, evaluation or analysis

Following the above, when asked, the Department did not draw our attention to any risk assessment, evaluation or analysis that was conducted in relation to the IAT in its current form.

We are not suggesting that the Department did not consider any risks during the development of the IAT. Rather, what we would have expected to have seen was an identification of the risks associated with the specific implementation choices ultimately taken, a consideration of whether those risks were appropriate to take and if so, consideration of the specific ways in which those risks might be appropriately mitigated.

¹²⁷ Integrated Assessment Tool Live Trial, Final Report (September 2023), Part B page 60.



The decision to ultimately use an algorithm to make decisions was one taken by the government, but it is not clear whether that decision also envisaged a model where no changes to the automated IAT decision could be made when the outcome was considered clinically inappropriate.

On this issue, in October 2025, just before the commencement of the Act and the Rules, a senior executive of the Department said the following in internal correspondence:

*I am concerned **that no advice has been given to government on the implications and risks of the current drafting** of the Rules, which provides no legal discretion ... to override the ... algorithm regarding care levels for individuals.¹²⁸ (emphasis added)*

¹²⁸ Department of Health, Disability and Ageing, RFI Response (June 2026), question 12, document C.

Our concerns with the decision-making framework and the law and its implementation

1. There is no mechanism to override and change automated IAT decisions that are considered clinically inappropriate

The automated IAT decision can have serious implications for an older person's health, independence and living circumstances. Notwithstanding that these are significant matters, there is no mechanism for assessors, assessment delegates or internal reviewers to change these where they believe that the outcome, in all the circumstances, is clinically inappropriate.

HealthConsult provided a helpful explanation of why a classification model would not ordinarily provide a means of overriding and changing assessments:

*Where class allocation is linked to a funding amount, ... allowing routine assessor override of ... outcomes **would risk undermining the consistency, transparency and equity** ... the classification architecture is intended to support. It would also create a material risk ... classification decisions become influenced by perceptions of service availability, provider preference, or views about desirable funding levels, rather than by the consistent application of the assessment framework to ... the [older person's] characteristics and needs.¹²⁹ (emphasis added)*

While there is some merit in this view, as a matter of fairness automated decision-making needs to be accompanied by appropriate safeguards. Having no mechanism

¹²⁹ HealthConsult Pty Ltd, RFI Response (May 2026), page 6.

to resort to human judgement in the appropriate circumstances is not, in our view, satisfactory, particularly in light of the issues raised in this report.

Changing classification and priority for errors

Under the Act, the Department must change an original decision concerning classification, and where applicable priority, where it is satisfied that the classification/priority assessment was **incorrect** or **inaccurate** or where the decision was, for any other reason, **incorrect**.¹³⁰

Additionally, an assessment delegate or an internal reviewer can substitute a new decision for that of an automated IAT decision, but only where they are satisfied that the decision was **incorrect**.¹³¹

These provisions do not extend to changing outcomes where, for example, they are considered to be **clinically inappropriate**.¹³²

In our view, a significant limitation of these provisions is that it is unclear how a potential error comes to the attention of the internal reviewer, in circumstances where, for example, there is no public information available about how the algorithm works, or how an internal reviewer would decide the decision was incorrect.

For example, the assessment delegate might identify an IAT input error such as the notes saying one thing while a different answer has been selected from a drop-down box. As of 29 June 2026, the IAT assessment can be sent back to the assessor for correction, however correcting the input error does not necessarily mean that the resulting classification will change.

If the assessment delegate or internal reviewer does not know or understand how the algorithm uses the relevant inputs to generate the classification, they would not be able to identify whether that input error resulted in an incorrect classification.

¹³⁰ *Aged Care Act 2024* (Cth), sections 83(1) and 90(1).

¹³¹ *Aged Care Act 2024* (Cth), section 582(4).

¹³² See, for example, *Aged Care Act 2024* (Cth), sections 83(2) and 90(2).

2. The Department did not understand key components of the legal framework that it had created, nor did it understand what legal framework it was meant to create

Up until the commencement of the Act and the Rules in November 2025, the Department had made it clear to assessment providers that IAT outcomes would not be fixed. In relation to the SAH program, for example, the Department indicated that the classification outcome could be changed through either an increase or a decrease to the classification level.¹³³

As outlined in page 28 above, under the legal framework that the Department had created, this was not possible. **In other words, the Department did not create a mechanism in the Act or the Rules to do what it was telling assessment providers that they could do.**

In explaining why this situation came about, the Department said the following:

*During the implementation of the aged care reforms, staff ... were operating on different understandings about the policy authority for an assessor override of ongoing home support classification outcomes. Parts of the Department were operating under the assumption that a human override was permitted, and public statements were made to this effect ...*¹³⁴

In our view, this was not only a policy misunderstanding, but a serious misinterpretation about the legal effect of the Rules that the Department had itself created. And as outlined below, it also reflects a misunderstanding about what exactly the Department was meant to design and how this affected the IAT design process.

¹³³ See, for example, Department of Health, Disability and Ageing, Guide for the Single Assessment Workforce (May 2025), page 53.

¹³⁴ Department of Health, Disability and Ageing, RFI Response (June 2026), page 3.

In October 2025, in internal correspondence, a senior executive member of the Department summarised the situation as follows:

*... we have **recently discovered a serious disconnect** which means our public messaging and IT system design is out of sync with our policy authority and the ... Rules, which in turn, appear to be inconsistent with the government's approach to automated decision-making following acceptance of the recommendations of the Robodebt Royal Commission.*¹³⁵ (emphasis added)

The correspondence went on to say the following:

... the inclusion of an override has been regarded by many staff, [including senior executive staff], as a settled position.

*The assumption that there would be an override has been consistently reflected in messaging to assessment [providers], in the design of our IT system, and relevant supporting documents such as privacy impact assessments. **Various instructions to IT and legal drafters ... indicated that the classification decision would be “computer-assisted”, not fully automated.***

*This framing aligns with the design of the [SAS] model approved by government, which recognises and respects the clinical expertise and judgement of assessors and assessment delegates.*¹³⁶ (emphasis added)

Additional consequences

There were serious consequences attributable to this situation, many of which have already been referred to in this report. Two additional matters are outlined below.

¹³⁵ Department of Health, Disability and Ageing, RFI Response (June 2026), question 12, document C.

¹³⁶ Department of Health, Disability and Ageing, RFI Response (June 2026), question 12, document C.

Consequence	Description
The IAT has functionality to allow overrides and changes that do not align with the Rules	The system needs override functionality to enable assessors to select short-term care needs pathways, but this also means that an assessor can override classification outcomes, which would be contrary to the Rules. Between 1 November 2025 and 25 May 2026, there have been 2,851 instances where the automated IAT decision in relation to classification has been overridden –the Department told us it is assessing these instances to determine whether the overrides were lawfully used.¹³⁷ While this number only represents a very small portion of the total number of needs assessments undertaken in the period, in our view, that relationship only tells us about the prevalence of this issue. The individual impact this situation might have on each older person is significant and completely unknown.
There was no meaningful consultation with the public in relation to the IAT in its current form	When drafting the Act and the Rules, the Department sought input from the public through a consultation process. This allowed any member of the public to make submissions to the Department about draft versions of the Act and the Rules and answer important questions. In our view, the consultation process was flawed. It was never made clear at any stage that the IAT would function through automated decision-making, nor would it do so with the inability to override and change outcomes. The draft Act used the phrasing “computer decision-making”, not “automated decision-making”, and, as they do now, the provisions simply indicated that the Department may make arrangements for this to occur. The extent of the information provided on this topic was simply that computer decision-making arrangements were expected to be used for classification and priority,¹³⁸ but this was contradicted by information indicating, for example, that classification decisions

¹³⁷ Department of Health, Disability and Ageing, RFI Response (June 2026), page 3.

¹³⁸ Department of Health, Disability and Ageing, “A New Aged Care Act: Exposure Draft: Consultation Paper No. 2” (December 2023), page 92.

would be made by a human.¹³⁹ No questions were posed to the public in relation to this matter and no further detail was provided.¹⁴⁰ This occurred despite the Department acknowledging that many stakeholders expressed concerns about this issue and the lack of information that had been provided by the Department.¹⁴¹

The component of the draft Rules that housed key provisions in relation to classification and priority was released last, only two months before the Act and the Rules were then meant to commence, despite it arguably being the most important.

3. There are significant issues with the Department's interpretation of the law to address the issue of correcting factual errors

Under the Act, once a needs assessment is complete (i.e. the assessor finishes the support plan following the automated IAT decision), **an access decision must be made about it**. That is, a delegated decision-maker must determine whether to approve access to the recommended aged care services.¹⁴²

Additionally, as outlined in page 21 above, once the assessment section of the IAT is finalised and the automated IAT decision is made, it can no longer be edited by the assessor or the delegated decision-maker.

In our view, these factors present a material risk that delegated decision-makers may need to make approval decisions based on an automated IAT decision that has been informed by a factual error.

In February 2026, in an attempt to resolve this issue, the Department took the position that, in cases like the above, a delegated decision-maker can return the needs

¹³⁹ Department of Health, Disability and Ageing, "A New Aged Care Act: Exposure Draft: Consultation Paper No. 2" (December 2023), page 41.

¹⁴⁰ Department of Health, Disability and Ageing, "A New Aged Care Act: Exposure Draft: Consultation Paper No. 2" (December 2023), page 89.

¹⁴¹ Department of Health, Disability and Ageing, "A New Aged Care Act: Exposure Draft: Consultation Feedback Report" (May 2024), page 33.

¹⁴² *Aged Care Act 2024* (Cth), section 65(1).

assessment to the assessor for errors to be corrected before making the approval decision.¹⁴³

The Department told us that where the type of error outlined above may have occurred, and a decision has been made, the pathways available to the older person include seeking an internal review or seeking a reassessment.¹⁴⁴

In late June 2026, the Department introduced a functionality change to the IAT to facilitate the correction of errors.¹⁴⁵ This will allow the assessor to change the inputs into the IAT and as a result, re-run the algorithm. This may, or may not, produce a different automated IAT decision. While we agree with this change, in our view, there are serious flaws with how the Department has interpreted the law to allow for this new approach.

We are also deeply concerned that the Department was unable to tell us whether the ART is required to use the IAT in undertaking its role. How merits review will operate is not a question that we expect an agency to be unable to answer almost 12 months after the introduction of a new system.

4. Reasons for decisions for internal reviews may not provide meaningful information to the older person which would enable them to understand the basis of the decision, whether it is a correct assessment of their circumstances and whether they should seek external review

Under the Act, the assessment delegate and the internal reviewer are required to provide reasons for their decisions.¹⁴⁶ Our focus in this finding is on internal review.

¹⁴³ Department of Health, Disability and Ageing, RFI Response (June 2026), page 3.

¹⁴⁴ Department of Health, Disability and Ageing, Integrated Assessment Tool Demonstration (March 2026). See also, Community Affairs References Committee, Support at Home Program, Public Hearing (April 2026), page 24.

¹⁴⁵ Department of Health, Disability and Ageing, RFI Response (June 2026), page 2.

¹⁴⁶ *Aged Care Act 2024* (Cth), section 564(3)(c).

In the sample of reasons for decisions that we examined, there was a clear tendency for the Department to use technical language and gloss over, or misunderstand, the role of the internal reviewer and the assessment delegate.

In our view, the effect of this is likely to create unnecessary confusion for older persons about the internal review outcome.

Affirming the automated IAT decision concerning priority category – case study

Following a needs assessment, an older person was assigned a **medium** priority category, despite also being assigned classification eight (the highest funding level) under the SAH program. The older person sought a review of this through internal review, which affirmed the outcome.

- The internal review reasons for the decision contained a number of statements that attributed the decisions regarding classification level and priority category to the assessment delegate. As explained throughout this report, this is not correct: the decision was that of the automated system.¹⁴⁷
- In trying to have the priority category changed, the older person provided information about their health and their need for urgent access. The issue, however, was that this information was **never going to be capable of changing the decision concerning priority category, because none of the additional information they provided fell within the six fixed circumstances**.¹⁴⁸

5. Having the assessor approve their own assessment as the delegated decision-maker for CHSP eligibility carries risks

All needs assessors (both clinical and non-clinical) have delegation under the Act to approve access to aged care services under the CHSP. This means, for example, where

¹⁴⁷ Department of Health, Disability and Ageing, RFI Response (April 2026), question 35, document 2.

¹⁴⁸ Another good example of this occurred in a complaint that we received. Here, the older person (through their carer) provided a significant amount of evidence to increase their priority category in the internal review, but all of this was directed towards two points which they had already been awarded under the Rules. In other words, nothing that they raised was capable of changing the outcome.

the automated IAT outcome for home support following a needs assessment is “eligible for the CHSP”, the assessor can approve their own assessment.

On this point, the Department says:

When approving the recommendations from an assessment they have undertaken, needs assessors, acting in their capacity as a non-clinical assessment delegate should exercise due care to ensure the assessment is complete, evidence based, free from errors, contradictions, or omissions.¹⁴⁹

¹⁴⁹ Department of Health, Disability and Ageing, Aged Care Assessment Manual (March 2026), page 243.



Part 3. Assessment of Department oversight arrangements

Our concerns in relation to oversight

1. The Department has not been reasonably oversighting assessment provider performance across key areas

In our view, there is a link between effective oversight and effective performance. Where a regulated body underperforms and there are meaningful gaps in the oversight arrangements of the regulator across key obligations, it is almost certain that any continuation of that underperformance is attributable, at least in part, to the shortcomings in those arrangements.

As outlined in page 38 above, assessment provider performance in relation to KPIs has been falling short and in many instances, to a significant extent.

2. The Department undertakes a limited role in relation to checking compliance with the learning requirements that it sets and there are no meaningful integrity safeguards in relation to the completion of online learning activities

The Department rightly concedes that assessor performance is a critical component of the SAS and the needs assessment process. In this regard, it says:

... the accuracy of the [the automated IAT decision] relies on information that has been entered into the IAT during the [needs assessment]. Assessors ... play a critical role in achieving high quality assessment outcomes by using their strong communication and interpersonal skills to complete the IAT during the assessment, and their clinical judgement when undertaking comprehensive assessments.¹⁵⁰

Despite the above and the fact that it is the assessor's role which **completely informs the automated IAT decision**, as outlined in page 40 above, the Department plays a limited role in relation to checking compliance with learning requirements, instead assigning responsibility to assessment providers to do this.

In our view, taken together, the Learning Strategy and the Learning Framework establish a detailed and resource-intensive workforce capability model.¹⁵¹ The model relies upon assessment providers undertaking a broad range of activities, including, for example, qualification validation, workplace training, workplace mentoring and workplace supervision. It is without question that these things require human implementation and may be affected by organisational capacity, competing priorities and workforce pressures.

Accordingly, the existence of contractual obligations should have been strengthened by assurance activities (as that term is defined in page 74 of this report) undertaken by the Department. We are not suggesting that assessment providers are necessarily failing to meet the requirements, just that there is currently no apparent way for the Department to be confident that providers are meeting the requirements

A similar principle applies in relation to the Department's online learning environment. Online learning activities form a key component of the workforce capability model and is relied upon by the Department as ensuring that the SAS workforce has obtained important and required knowledge. Despite this, the Department did not draw our

¹⁵⁰ See, for example, Department of Health, Disability and Ageing, Aged Care Assessment Manual (March 2026), page 150.

¹⁵¹ See, for example, the Learning Strategy, page 39.

attention to any safeguards/mechanisms built into the online learning environment to protect the integrity of online training.¹⁵²

Again, we are not suggesting that online training is being completed inappropriately. Rather, the absence of assurance and integrity safeguards raises the risk that online learning activities may not be completed appropriately, **particularly in light of the workforce pressures within the SAS and the significant number of other obligations that assessment providers must meet – which means that there is a risk that the workforce does not possess the knowledge required to provide the consistent and high quality inputs the automated decision-making requires.**

3. The Department undertakes a limited role in relation to oversighting how assessors use the IAT and its quality assurance approach appears not to extend to matters beyond IAT use

Although the Department does undertake audits or reviews of how the IAT is used, these activities have only covered an extremely small subset of the total number of needs assessments undertaken to date.

Given the significant reliance placed on the automated IAT decision and the inability for assessors and assessment delegates to change incorrect inputs until recently, we consider that a substantially higher number of audits/reviews should have occurred.

While we acknowledge that the effectiveness of assurance activities is not determined solely by the number of needs assessments reviewed, where outcomes are highly dependent on automated decision-making and assessors/assessment delegates have no ability to depart from these, the scale of the assurance becomes a significant consideration. Confidence in the SAS depends not only on the existence of assurance

¹⁵² See, for example, Department of Health, Disability and Ageing, RFI Response (March 2026), pages 5 to 6. These include, for example, identify verification, time requirements and other mechanisms/safeguards designed to ensure that the individual completing the online learning activity is completing and engaging with the training modules meaningfully and themselves.

activities, which can take many forms, but on whether those activities are sufficiently extensive to identify errors, unidentified consequences and systematic issues across the assessment population.

As outlined in page 40 above, outside of the above, the Department did not draw our attention to any proactive or reactive audits/reviews that it conducts to check that assessment providers have embedded appropriate quality assurance processes and controls more generally, for example, outside IAT use.¹⁵³

In our view, the position taken by the Department has been far too narrow, given the criticality of inputs to the automated decision-making system. Assurance activities undertaken in relation to quality should not have been limited only to reviewing IAT usage and compliance with IAT processes.

It is important that the Department undertakes assurance activities to establish that assessment providers have in place effective quality assurance frameworks and are using them to identify issues, monitor performance and drive continuous improvement. Without this, the Department is without verifiable evidence of whether assessment providers are, in fact, capable of detecting and addressing issues across their various functions.

4. The Department does not have a framework in place to draw insights from complaints to inform systemic assurance activities in relation to assessment provider performance

The Department could not tell us how many complaints received about assessment providers had led to a decision to conduct an audit/review. The Department conceded that complaints are not routinely used as a primary basis for more systemic assurance activities.¹⁵⁴

¹⁵³ Department of Health, Disability and Ageing, RFI Response (March 2026), page 5; Department of Health, Disability and Ageing, RFI Response (May 2026), page 6.

¹⁵⁴ Department of Health, Disability and Ageing, RFI Response (March 2026), page 4.



In our view, complaint information represents a valuable source of intelligence regarding the operation of the SAS and the use of the IAT. Unlike many other assurance activities, complaints can provide direct, first-hand information from older persons and the people who support them about matters that may not ordinarily be visible through routine monitoring.

In our view, a complaints framework in the context of the SAS should not only facilitate the resolution of individual issues but also enable the systematic identification and analysis of trends, patterns and emerging risks.

5. The Department's flexible approach to the enforcement of contractual obligations was implemented without compensating controls

As outlined in page 37 above, the Department told us it was taking a flexible approach to the enforcement of assessment provider obligations under contract until 30 June 2026.

While this approach may have assisted assessment providers build the required capabilities, it also meant that the Department accepted a greater level of risk that contractual obligations would not be met.

It is positive that the Department identified 5 assessment organisations where remediation activity is required, particularly given the nature and extent of the issues requiring action. However, it remains the case that no remediation plans for significant non-compliance were required to be provided before 1 July 2026.

By choosing not to hold assessment providers to account, though, for example, the requirement to implement a remediation plan (which would give rise to a termination mechanism should it not be adhered to), there was, in our view, a greater need for more meaningful forms of oversight, like those outlined above.

6. Information about the complaints process omits important information that would assist older persons, and the public should be encouraged to contact the Department directly

As outlined in page 41 above, the My Aged Care website does not contain information about how complaints are dealt with by the Department, the potential outcomes following complaints, the Department's timeframes for dealing with complaints and how updates will be provided by the Department.

We consider that the absence of this information creates a risk that older persons may not pursue legitimate complaints, may misunderstand the scope of the process or develop unrealistic expectations about the outcomes that can be achieved. Put another way, a robust complaints framework is not just about the process itself: it is about providing enough meaningful information for people to understand and use it effectively.

In addition to the above, the Department's current position places significant emphasis on older persons first raising their concerns directly with the assessment provider. While this pathway may be suitable for some matters, a blanket expectation, in our view, likely creates an unnecessary barrier and the impression that the Department is only interested in complaint matters that cannot be resolved. This does not adequately reflect the role that the Department should be taking in identifying patterns of concerns and responding to systemic issues.

Information provided through My Aged Care should make it clear that complaints can serve purposes beyond individual dispute resolution, including to help identify risks, recurring problems and areas requiring closer scrutiny.

List of terms

Term	Meaning
Appropriate circumstances	Appropriate circumstances are those where, in the opinion of the decision-maker, the automated IAT decision is perverse, clinically inappropriate or otherwise not in the best interests of the older person.
Assurance activities	Assurance activities obtain sufficient and appropriate evidence, independently, to support conclusions about compliance. Importantly, they extend beyond the receipt of declarations of compliance and involve assessing, validating, testing and/or otherwise verifying the reliability of the evidence on which conclusions of compliance are based.
Business rules underpinning the algorithm	Business rules underpinning the algorithm refer to the specific arrangements which facilitate the algorithm determining the relevant scores according to the Rules.
Meaningful consultation with the public	Meaningful consultation with the public means a consultation process that provides the public with sufficient information and time for it to take an informed position and provide feedback.
Meaningful policy guidance	Meaningful policy guidance means non-binding guidance, written in plain language, that provides sufficient information for decision-makers to step through the tests of substitution with the aim of promoting consistency in decision-making.

Root cause analysis	Root cause analysis means a structured, systematic review into an issue or series of issues that results in findings about how that issue or those issues came about.
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**Australian Government****Department of Health,
Disability and Ageing****Secretary**

Mr Iain Anderson
Commonwealth Ombudsman
The Office of the Commonwealth Ombudsman
GPO Box 442
Canberra ACT 2601

Dear Mr Anderson,

Department of Health, Disability and Ageing's (the department's) response to the draft own motion investigation report – *Automation and Oversight in Aged Care: Flaws in the Design and Operation of the Single Assessment System*.

Thank you for providing a copy of the Ombudsman's draft report for the department's review and comment.

I wish to address some of the issues identified in your draft report and trust this will be taken into consideration prior to the publication of your final report.

The Single Assessment System and the Integrated Assessment Tool

The department wishes to emphasise the breadth of the Single Assessment System (SAS) and the vital role the Integrated Assessment Tool (IAT) plays in facilitating older people to access a range of funded aged care services.

The SAS was established in response to Recommendation 28 of the Royal Commission into Aged Care Quality and Safety. It aims to create a simpler and more responsive system that enables older people to access the right level of care sooner. By consolidating all assessment functions into one system, it reduces duplication and supports smoother transitions between different types of care as a person's needs change.

The IAT is a key component of the SAS and is one tool for all aged care needs assessments. It was developed over three years in partnership with independent, expert stakeholders including clinicians, geriatricians, clinical assessors, peak bodies and older people.

The IAT enables assessors to collect very detailed information about the older person and ensure service recommendations and referrals reflect the older person's current needs. The IAT has been in operation since 1 July 2024 and has helped the aged care needs assessment workforce complete over one million assessments.

From 1 November 2025, new arrangements were introduced to determine home support classification levels and priority categories, using algorithms that draw from information entered by assessors into the IAT as well as the client record. Data from the IAT and the client record is used to standardise the way in which older people are assigned funding for ongoing home support and a priority category for Support at Home. Aged care funding is limited, and the intent behind this more standardised approach is to support greater consistency and equity in allocating this funding.

In your draft report, you state that the trials and consultation on the IAT completed over several years did not support the development of the IAT in its current form and that "the Department implemented the IAT in its current form without any meaningful risk assessment, evaluation or analysis". The department does not accept this characterisation. The questions used in the IAT today were settled in mid-2023. They were then validated through 22,000 live trials in 2023, with minor modifications such as to the sequence of questions made post the live trials. The data from these live trials was used in the development of the classification algorithm. The IAT was also used to complete more than 200,000 assessments during 2024-25. The data from these assessments was used to refine and validate the classification algorithm. The IAT and supporting classification and prioritisation algorithms, as introduced on 1 November 2025, were therefore subject to significant testing and validation.

This iterative approach to development is consistent with standard arrangements for major system changes. The alternate view would be that, following testing, the IAT should have been locked in its final form and then subject to extensive further testing. We do not believe that would have been practical and would have extended the implementation timeframe, delaying the benefits of the new system. We also note that we do not view the algorithms as final products. The Government is committed to ongoing review and monitoring of the system and intends to make any necessary refinements over time.

The department had significant governance, assurance and risk management processes in place during the development of the *Aged Care Act 2024* and associated reforms. A dedicated Aged Care Transformation Steering Committee with cross-Government oversight and an independent assurer was established to monitor the implementation of reforms, including the introduction of the IAT. The reforms were also subject to independent processes, including the Senate Standing Committee for the Scrutiny of Bills. An Implementation Readiness Assessment was undertaken in September 2023, with two Gateway Reviews that followed in November 2024 and September 2025 respectively. This provided significant oversight of the IAT and associated changes.

Classification and prioritisation algorithms and the IAT

I also suggest that your draft report could more clearly distinguish between the needs assessment questionnaire (the IAT) used by assessors with older people during an aged care needs assessment and its related algorithms.

1. The **classification algorithm** – determines an older person’s ongoing home support funding level through the Commonwealth Home Support Program or Support at Home, ensuring that people with similar care needs receive the same level of funding support.
2. The **prioritisation algorithm** – determines an older person’s priority category for Support at Home funding.

While both decisions are informed by inputs captured via the IAT, two different algorithms are used to determine a person’s classification (funding) level and priority category.

The **classification algorithm** was refined on more than 200,000 assessments completed in 2024-25. This ensured that the funding rules reflected the clinical characteristics of every older person who received a comprehensive assessment that year.

Your report states that “there is no public information that meaningfully explains how the algorithm converts inputs into outcomes.” The department does not accept this characterisation. The department has and will continue to publish information for older people and assessment organisations about the IAT and how it operates. An offline copy of the IAT (the IAT offline form) is available on the department’s website. This provides full transparency of questions asked during an assessment. The department has also published information on how the algorithm maps IAT input to funding levels. That said, we do acknowledge that the information published at the time of your draft report was not sufficiently comprehensive to allow an external party to replicate the precise outcomes delivered by the assessment process.

Accordingly, the department accepts the conclusion of your draft report that the classification algorithm should be more transparent. Since receiving your draft report, the department has committed to publish the underlying algorithm and associated business rules in full on the department’s website. The department intends to publish the algorithm and business rules on 6 October 2026. This will allow external parties to replicate the outcome of the assessment process for any set of assessment inputs.

The department will also publish accompanying plain English ‘explainer’ documents, to support older Australians to understand how their classification outcome is calculated. The department notes the plain English documents must by their nature involve some simplification as they summarise a very detailed assessment process, algorithm and set of rules in accessible language. The department will review and update the explainers as necessary as we receive feedback on any perceived or actual inconsistencies between the plain English explainers and the operational business rules

The **prioritisation algorithm** was developed using data from the 22,000 live trials of the IAT in 2023 and was refined and validated using more than 100,000 completed assessments over 2024-25. The prioritisation algorithm ensures more vulnerable older people get care more quickly than those who are less vulnerable. Eligibility for each priority category is clearly specified in the Rules. The department was fully transparent about the priority categories, eligibility criteria, and scores that would be applied by the prioritisation algorithm. This is clearly set out in the Aged Care Rules 87-5. The department has also made Rules changes to give effect to priority queue rate changes to ensure people in 'high' priority are accessing services nearly as quickly as those in the 'urgent' priority. It has also completed a recent review as part of continuous improvement of the prioritisation algorithm to ensure the most vulnerable older people are prioritised for care.

In your draft report, you suggest there is a contradiction in allowing assessor expertise and judgement to inform the inputs into the IAT but not consider the appropriateness of the outcomes, and that the department views the IAT as objective and binary. The department does not agree with this characterisation.

Aged care assessors and assessment delegates play a critical role in achieving high-quality assessment outcomes using the IAT. Assessors complete a minimum of 125 questions (and up to 340 questions) as part of an assessment with an older person, including completing free text fields. This requires significant professional judgement. The free text fields in the IAT inform decisions about service recommendations and the framing of support plans. They also support assessment delegates to thoroughly check IAT inputs (including checking alignment between tick boxes and free text fields) before finalising the assessment.

The Government introduced a change on 29 June 2026 to enable assessors to amend data input errors where these are later identified by assessment delegates. This supports assessment delegates to ensure aged care assessments accurately reflect an older person's needs and circumstances.

The algorithms allow for standardisation in how clinical inputs are used to determine classification and prioritisation levels. Any assessment of complex needs requires professional judgement, and hence a degree of subjectivity. Previous aged care assessment processes were criticised for their lack of consistency. The classification and prioritisation algorithms have been designed and implemented to increase consistency and equity of outcomes while still leveraging the judgement and expertise of the assessment workforce.

This creates a fairer outcome for older people compared to the previous Home Care Packages program. Under the previous arrangements, human assessors had greater discretion in deciding a person's level of funding, and priority for that funding. This often resulted in people with similar clinical needs receiving different outcomes depending on when, where and by whom they were assessed. This created inequity in the system and in some cases were people allocated more funding than they needed. This was a partial driver of the accumulation of \$4 billion in unspent funds in the program. Departmental analysis notes that in 2024-25, approximately 20-25% of Home Care Packages were approved at Level 4 (against a baseline forecast of 15%). This reached as high as 50% in some jurisdictions. This significantly impacted

wait times and created equity issues. Introducing additional subjectivity would undermine these objectives, in favour of subjective assessments of 'fairness'.

The department also notes that assessors have discretion (supported by the IAT) to make informed decisions about an older person's service recommendations, support plan and access to programs other than ongoing home support, including assistive technology and home modifications, residential care, respite services, hospital transition and restorative care.

Review of decisions and the escalation pathway

The current legislation allows individuals to seek a review of a decision relating to their assessment, including where the individual disagrees with their classification or prioritisation outcome. In addition, the Government has introduced legislation in the Aged Care Legislation Amendment (Aboriginal and Torres Strait Islander Aged Care Commissioner and Other Measures) Bill 2026 to establish an escalation pathway which would enable assessment organisations to refer cases for departmental review where, due to exceptional circumstances, an assessment outcome may not fully reflect an individual's needs.

The introduction of the escalation pathway provides a further opportunity for assessors to exercise their professional judgement, utilising their skills and knowledge of an older person's circumstances, and form the view that it should be escalated to the department for a change of classification and/or priority. This approach would provide a safeguard that balances the need to substitute an automated prioritisation or classification decision in exceptional circumstances with the objective of maintaining a consistent and equitable approach to assessments.

Oversight of the Single Assessment System

The introduction of the IAT and the commencement of the SAS workforce in December 2024 occurred during a period of broader, time-critical reforms for aged care. In the initial stages of the SAS, the department has been focused on work to establish the new system, while acknowledging that further improvements are required, as recognised in your draft report.

Establishing the SAS has included ongoing training to a large, geographically dispersed workforce, establishing contract management functions and performance expectations, creating an aged care needs assurance program and supporting the SAS workforce through complex, transformative reforms. We focused our efforts and resources on these activities to support initial implementation of the SAS and broader aged care reforms. From 1 July 2026, assessment organisations who have not met their key performance indicators are required to have remediation plans in place.

The department accepts recommendations 6 and 7 of your draft report that our assurance of assessment providers can be strengthened. This includes establishing additional, proactive quality review mechanisms. The department has also introduced a dedicated Aged Care Customer Experience Management function which commenced 1 October 2026. This will centralise complaints handling and

strengthen the department's ability to analyse complaints and respond to customer experience information to target assurance, improvement and oversight activities. We have outlined our proposed approach to address recommendations 6 and 7 in further detail in Attachment A.

Despite significant reform implementation challenges, a record number of aged care needs assessments were completed in 2025-26 and there are more assessors undertaking assessments than at any other time.

Any reform of the scale implemented in aged care on 1 November 2025 will have its challenges. I commit to engaging with your recommendations with a spirit of openness to feedback and intent to improve.

Alignment between Government decision, legislation, policy and advice

Your draft report notes that the department had been incorrectly advising assessment providers and the public up until October 2025 that automated decisions made using the IAT could be changed. I acknowledge that this is a significant issue. The Government decided in 2024 that allocations of Support at Home funding and prioritisation for ongoing Support at Home classifications 1-8 would be determined on the basis of assessor input and application of algorithms, without the ability for an assessor to override the outcome. The legislation and rules were drafted and passed Parliament reflecting this policy. In the period following the Government decision and the commencement of the *Aged Care Act 2024* there was a misunderstanding of this within the department. This resulted in the department providing incorrect advice to stakeholders. When this misalignment of the advice with the legislation was identified, the department revised our guidance to external stakeholders to ensure that our administrative practice was consistent with the *Aged Care Act 2024* and *Aged Care Rules 2025*.

I appreciate the misunderstanding within the department meant that assessors were not receiving information that accurately reflected the legislation and Government policy. I also acknowledge that it is possible that stakeholders may have made different or earlier representations about the policy if they were better informed about the operation of the *Aged Care Act 2024* and *Aged Care Rules 2025*. The department accepts that a common understanding of the legal framework across all teams is essential and we accept responsibility for not meeting this standard. As part of responding to your Recommendation 8, we will consider this carefully as part of the root cause analysis.

Finalisation of your draft report

The draft report states that "a reasonable person would lack confidence that the system is in fact fair and consistent". We acknowledge that is for you to determine whether you have formed that conclusion. However, as outlined in this letter, the department does not accept several propositions that are significant and relate directly to whether a reasonable person would have confidence in the system. Accordingly, we respectfully request that you reconsider this finding.

In addition, while reviewing your draft report the department has identified several factual errors, some of which are relevant to the positioning of findings of your draft

report. The department also requests consideration of the removal of certain references to legal advice in your draft report, to protect legal professional privilege. The department has provided a list of these matters separately to your Office.

I appreciate the opportunity to respond before you finalise your draft report. The department's response to each draft recommendation can be found at Attachment A.

I would like to thank the Office of the Commonwealth Ombudsman for its professionalism throughout the investigation.

If you have any questions regarding the department's response, please contact

[REDACTED]

Yours sincerely

[REDACTED]

Blair Comley PSM
Secretary
2 October 2026

Attachment A

Recommendation	Agency response to recommendations	Action agency proposes to take and expected timeframes for implementation
Recommendation 1 <i>The government, with the assistance of the Department, introduces a bill to amend the Aged Care Act 2024 (Cth) (the Act) to allow assessment delegates to substitute their own decision for that of an automated IAT decision in appropriate circumstances.</i>	☐ Accepted (in principle) ☐ Not accepted If not accepted, please provide reasons: ☒ Noted	Proposed action: The Department notes that this recommendation is directed at Government, and that aspects of the recommendation may differ from the approach determined by Government. As noted in the Report, the Government has announced it will establish, through legislation, an escalation pathway for people with complex circumstances that are not fully captured by current arrangements. The pathway will mean that assessment organisations can refer automated home support decisions to the System Governor (or delegate) for further consideration and possible adjustment in specified circumstances. The Department is supporting this work through progressing legislative amendments to the <i>Aged Care Act 2024</i> (the Act). The Department has a review of decision function, which it undertakes as delegate of the System Governor. The escalation pathway would complement this by providing a consistent approach to the application of discretion, when it is appropriate and in line with the amended legislative framework, and will enable the department to continuously improve operations of the IAT. Expected timeframes: Subject to Government and parliamentary processes, implementation of the escalation pathway is expected in the first half of 2027. Justification for the timeframes: Passage of legislation is required, along with ensuring sector and Departmental readiness. Implementation involves a coordinated effort to establish operational requirements such as recruitment, ICT enablement and change management support.
Recommendation 2 <i>As far as necessary to give effect to the above recommendation, the Minister amends the Aged Care Rules 2025 (Cth) (the Rules) and separately, either the Minister or the Secretary as the designated System</i>	☐ Accepted (in principle) ☐ Not accepted	Proposed action: The Department notes that this recommendation is directed at Government. In making amendments to the Act to establish the escalation pathway as described in the response to

Recommendation	Agency response to recommendations	Action agency proposes to take and expected timeframes for implementation
<i>Governor of the aged care system provides meaningful policy guidance to assessment delegates about applying any test for substitution.</i>	If not accepted, please provide reasons ☒ Noted	Recommendation 1, amendments would also be made to the <i>Aged Care Rules 2025</i>. As is standard practice, the Department will provide policy and operational guidance to support implementation. Expected timeframes: As outlined under Recommendation 1. Justification for the timeframes: As outlined under Recommendation 1.
Recommendation 3 <i>The Department undertakes a comprehensive review of the Act and the Rules as they relate to the needs assessment process, including use of the IAT, to identify legal defects, inconsistencies, ambiguities or unintended consequences and, using that information, address those issues in a timely way.</i>	☒ Accepted ☐ Not accepted If not accepted, please provide reasons:	The Department accepts this recommendation. The Department will approach the review and propose any necessary amendments to Government in three stages: • Stage 1: urgently address high priority issues • Stage 2: review the Act and the Rules to identify any inconsistencies with intended policy settings for the needs assessment system provide recommendations for amendments to the legislative framework as required. • Stage 3: building on the work in Stage 2, implement required changes pending Government decision. Expected timeframes: Stage 1 will be completed as quickly as feasible and stage 2 is proposed to be completed in 2027, noting the complexity and the need to take a holistic view of the legislative framework and its relationship to systems, policies and programs. The timing of Stage 3 is contingent on Government decisions and implementation activities that are required. Justification for the timeframes: The legal framework is complex and it is important to consider amendments holistically in order to avoid unintended consequences. Owing to the complex intersection between policy, legislative and IT settings, including consultation as outlined at Recommendation 4 (and necessary user experience testing to ensure proposed changes satisfy policy objectives), the proposed timeframes are

Recommendation	Agency response to recommendations	Action agency proposes to take and expected timeframes for implementation
		indicative and subject to change. Further, the legislative program is subject to decision of the Parliamentary Business Committee.
Recommendation 4 <i>That any proposed amendments to the Act, the Rules and the algorithm be preceded by and informed by meaningful consultation with the public.</i>	☒ Accepted (in principle) ☐ Not accepted If not accepted, please provide reasons:	Proposed action: The Department accepts this recommendation in principle. The Department actively engages with stakeholders to inform our policies, initiatives and programs. This includes consulting and engaging with people with lived experience, advocacy groups, peak bodies, providers, health professionals and the aged care workforce. Subject to Government and parliamentary processes, appropriate engagement would be undertaken to support proposed amendments to the Act, the Rules and the algorithms having regard to the nature of any identified issues. The recent rapid review of the priority algorithm and proposal for a legislated escalation pathway were both supported by targeted stakeholder engagement balancing the need for consultation with legislative timeframes. Subject to agreement by government, further engagement will be undertaken on the implementation details of both changes. Expected timeframes: As outlined under Recommendations 1-3. Consultation is planned ahead of implementation of the escalation pathway (Recommendations 1 and 2). Consultation would occur under the staged approach for review, where legislative changes are progressed (Recommendation 3). Justification for the timeframes: Consultation would align with expected delivery of recommendations.
Recommendation 5 <i>In accordance with recommendation 17.1 of the Royal Commission into the Robodebt Scheme, the Department:</i> <i>develops and publishes a fact sheet, in plain language, that informs the public about how</i>	☒ Accepted ☐ Not accepted If not accepted, please provide reasons:	Proposed action: The Department accepts this recommendation. The Act includes the Attorney General's Department interim precedent provisions for automated decision-making (section 582 and 583) and sets out oversight and safeguards for automation of administrative action. Transparency measures in place include published statements on the

Recommendation	Agency response to recommendations	Action agency proposes to take and expected timeframes for implementation
<i>the IAT works and the existence of automated decision-making,</i> <i>develops and publishes a fact sheet, in plain language, that informs the public about how internal and external merits review operates for SAS decisions and what limitations exist for those seeking review, and</i> <i>makes the business rules underpinning the algorithm available to the public and in doing so, provides a plain language explanation of how these operate.</i>		Department's website which are intended to provide transparency where the System Governor has made arrangements for automation of administrative action. In October 2026, the department will publish a range of products to provide further transparency of the operation of the IAT and its associated algorithms within the assessment process. This includes publishing the business rules underpinning the algorithms and plain language explainers. The department will publish a plain language fact sheet on the internal and external merits review process. Expected timeframes: Development and publication will be staged across the 2026-27 financial year, with an ongoing effort to ensure currency of content and alignment with broader automated decision-making reforms. Justification for the timeframes: Plain language public information must be accurate, accessible and tested with users to ensure it is understood by older people, families, carers and representatives. Risk assessment and confirmation of any legal and operational implications are required.
Recommendation 6 <i>The Department more effectively oversights the performance of assessment providers by undertaking:</i> <i>significantly more proactive audits/reviews of IAT usage, and</i> <i>consistent assurance activities in relation to:</i> <i>compliance with learning requirements,</i> <i>compliance with quality assurance requirements outside of IAT usage, and</i> <i>compliance with meeting key performance indicators.</i>	☒ Accepted ☐ Not accepted If not accepted, please provide reasons:	Proposed action: The Department accepts this recommendation. The department is implementing a scaled assessment assurance program that will expand in line with maturation of the assessment workforce and embedding of the Support at Home program. Proactive quality reviews form the foundation of this approach and will increase as assurance capability grows. Subject to government decisions, the department is seeking to enhance assurance capability to improve the way it targets and conducts activities to achieve proactive, high quality reviews. This capability will align to a dedicated Customer Experience Management function which commenced on 1 October 2026, and that will provide data driven insights to the assurance team to inform its activities.

Recommendation	Agency response to recommendations	Action agency proposes to take and expected timeframes for implementation
		The department accepts that further oversight of assessment organisations' compliance with learning requirements will support effective performance management. Within available resources, the department is committed to strengthening our program management capacity to more effectively manage assessment organisation compliance with contract requirements, including the timely completion of mandatory training requirements detailed in the My Aged Care Workforce Learning Strategy or advised by the Department. Assessment organisation compliance with contract KPIs is undertaken as a contract management function. The department manages performance through a combination of ongoing data reviews, quarterly contract management meetings and assessment organisation biannual reporting. Underperformance is being addressed through established contractual mechanisms such as remediation plans. The department's priority is to improve service delivery timeframes through stronger assessment organisation performance against KPIs. This is managed through a staged approach aimed at improving performance, including through implementation of remediation plans. Reallocation of market share remains available as a mechanism to improve overall system performance in cases of sustained underperformance, with decisions guided by the impacts on older people. We will focus on assessment organisations who are not compliant with the requirement around timeliness. The department has also established a governance and assurance framework for the algorithms, which establishes clear accountability, human oversight, monitoring, reporting and assurance arrangements. This intends to assure the ongoing operation of the algorithms. Expected timeframes: Subject to government decisions, the department will strengthen and scale up assessment assurance activities from February 2027 and develop supporting IT system functionality from November 2027. Over the next 18 months, the department will build on its current contract management of underperformance to implement a comprehensive contract management performance framework to address non-compliance and underperformance. This framework will step out the approach to improve assessment organisations performance to meet KPI timeframes and is expected to be finalised early in 2027 after consultation with assessment organisations..

Recommendation	Agency response to recommendations	Action agency proposes to take and expected timeframes for implementation
		Justification for the timeframes: Expansion of assurance activities requires consideration through budget process and remains a decision for government. Consultation with assessment organisations needs to occur before a contract management framework that includes staged escalation processes to address non-compliance and underperformance.
Recommendation 7 <i>The Department amends its approach to receiving and dealing with complaints about assessment provider performance by developing a new complaints framework that:</i> <i>outlines how complaints will be dealt with, by who and by when, and</i> <i>implements a method to analyse complaints and use the resulting insights to inform the planning and prioritisation of systemic assurance activities.</i>	☒ Accepted ☐ Not accepted If not accepted, please provide reasons:	Proposed action: The Department accepts this Recommendation and will strengthen its approach to receiving and managing complaints about assessment provider performance. Through the establishment of a dedicated Customer Experience Management function under the Ageing and Aged Care Group Target Operating Model (which will take effect from October 2026), the Department has already identified the need to improve complaints management. This function aims to support clearer ownership of complaints, more consistent complaint handling arrangements, and stronger governance over roles, responsibilities and timeframes. Importantly, the model will also strengthen the Department's ability to systematically analyse complaints and customer experience information, identify systemic issues and emerging risks, and use those insights to target assurance, improvement and oversight activities. Expected timeframes: By April 2027, the Department will implement a My Aged Care complaints policy that clearly defines the scope of complaints, including individual complaints, assessment organisation performance concerns and broader systemic or policy issues. The policy will establish clear accountabilities, complaint handling processes, service standards, complaints pathways and reporting arrangements, and will be published through relevant public channels – with an initial focus on assessment complaints handled by the Department (as distinct from registered provider complaints handled by the Aged Care Quality and Safety Commission). By July 2027, the Department will enhance its My Aged Care complaints function to support the identification and analysis of complaint trends, emerging issues and systemic risks. Complaint insights will be used to inform assurance activities, quality improvement initiatives and provider oversight arrangements, strengthening the Department's ability to identify and respond to issues affecting assessment quality and consumer experience. In addition, the Department will review the

Recommendation	Agency response to recommendations	Action agency proposes to take and expected timeframes for implementation
		assessment providers' complaints management policies and processes for compliance with the My Aged Care complaints policy. Justification for the timeframes: The proposed timeframe balances the immediate need for clear complaint handling arrangements for assessment concerns with the longer-term development of complaint-informed assurance and improvement activities.
Recommendation 8 <i>The Department undertakes a root cause analysis to determine the underlying factors that contributed to the findings in this report, including any other issues identified by the Department, and in doing so uses the results to implement corrective actions.</i>	☒ Accepted ☐ Not accepted If not accepted, please provide reasons:	Proposed action: The Department accepts this recommendation. A root cause analysis will be undertaken. Expected timeframes: This is expected to be completed in 2027. Justification for the timeframes: Completion of this recommendation will be subject to further decisions about the form and timing of the root cause analysis.
Recommendation 9 <i>The Department undertakes a comprehensive review of the business rules underpinning the algorithm.</i>	☒ Accepted (in principle) ☐ Not accepted If not accepted, please provide reasons:	Proposed action: The 2026-27 Budget provided resourcing to review and refine the algorithms and ensure ongoing alignment with broader automated decision-making reforms. This included funding for an independent review of the methods used in developing the Support at Home classification algorithm. The Department will consider further review of the business rules following the findings of the independent review. The Department has since undertaken a rapid review of the Support at Home prioritisation mechanism. Advice is being provided to Government on adjustments to the Support at Home prioritisation mechanism. As part of the review, the Department undertook detailed analysis of the prioritisation mechanism, including examination of case studies, complaints, correspondence and stakeholder submissions relating to assessment outcomes. This was complemented by targeted consultation. In July 2026, interviews were held with clinical experts, assessment organisations,

Recommendation	Agency response to recommendations	Action agency proposes to take and expected timeframes for implementation
		aged care advisory group members, peak bodies and representative groups (including the Australian and New Zealand Society for Geriatric Medicine, Council of the Ageing, Older Person's Advocacy Network and Ageing Australia). Expected timeframes: Advice to Government on adjustments to the Support at Home prioritisation mechanism is being progressed from early September 2026, in line with the request from the Minister for Health and Ageing and the Minister for Aged Care and Seniors. The independent review of the methods used in developing the Support at Home classification algorithm is intended to commence before the end of 2026. Justification for the timeframes: Completion of this recommendation will be subject to the time required to undertake the independent review, and government decision making.
Recommendation 10 <i>The Australian National Audit Office consider undertaking a performance audit in relation to the implementation of the SAS and the design of the IAT, and in doing so, assesses whether the Department's use of public resources was efficient, economical and ethical.</i>	N/A – This recommendation is a matter for the Australian National Audit Office (ANAO).	Should the ANAO choose to undertake a performance audit of the implementation of the SAS and the design of the IAT, the Department will engage constructively with the ANAO.

Errors of fact in draft investigation report *Automation and Oversight in Aged Care: Flaws in the Design and Operation of the Single Assessment System*

Section	Subsection	Page	Draft report text	Comment	Supporting evidence
Executive Summary	The Single Assessment System (SAS)	4	The “What is the IAT?” call-out box	The reference to “the algorithm” in this box (and elsewhere in the report) conflates the separate classification and prioritisation algorithms that have been in operation since 1 November 2025. The Ombudsman may wish to clarify this. The operation of the priority calculation for Support at Home classifications is outlined clearly and transparently in the Aged Care Rules and the Aged Care Assessment Manual. Regarding publishing of information about the support planning phase of assessments: information on the service recommendation and development of support plans phase of the assessment process, is published at sections 5.9 to 5.14	Community Affairs References Committee, Public Hearing, (1 April 2026), pages 2-5; Aged Care Rules 2025, section 87-5 Aged Care Assessment Manual pages 155 – 174 and 288 (D26-4799629)

Section	Subsection	Page	Draft report text	Comment	Supporting evidence
				(inclusive) of the Aged Care Assessment Manual.	
Executive Summary	The Single Assessment System (SAS)	9	Information provided by the Department to the public suggests that key trials and consultation over several years directly supported the IAT and its associated decision-making framework in its current form, but that is not correct.	Departmental statements at public hearings in regard to the IAT questionnaire have emphasised that key trials and consultation helped support the IAT's commencement on 1 July 2024. Departmental statements in public hearings with regard to the ongoing home support and prioritisation algorithms have noted that expert groups involved with the development of the IAT and information from the IAT trials helped inform the design and development of the algorithms.	Community Affairs References Committee, Public Hearing, (1 April 2026), pages 2-5; 13; 15-16
Part 1	Step 3 – Automated IAT decisions	16	It does this using an algorithm that is tied to a criteria-based scoring system.	As noted above there are different algorithms for ongoing Support at Home decisions, one for classification and one for prioritisation.	

Section	Subsection	Page	Draft report text	Comment	Supporting evidence
Part 1	Step 3 – Automated IAT decisions	17	As an example, an older person who is assigned a priority category of urgent can expect to wait less than a month, while those assigned a priority category of standard can expect to wait between 10 to 11 months. These wait times are indicative and ultimately depend on the availability of aged care service providers in the individual's area.	Persons assigned a standard priority have a wait time of 7 to 8 months. These wait times were last updated on the My Aged Care website on 30 June 2026. The statement that '[wait times] ultimately depend on the availability of aged care service providers in the individual's area' should be qualified to clarify that while wait times for a client to receive services depend in part on the availability of services in their area, the wait time to receive funding is not dependent on the availability of aged care service providers in the individual's area.	Assessment outcome: Support at Home My Aged Care (D26-4798320)
Part 1	Step 3 – Automated IAT decisions	18	Priority category points are drawn from the following six fixed circumstances: 1. that the older person lives alone – one point, 2. that the older person has a cognitive impairment – one point,	. The Aged Care Rules 2025 (s 87-5(2)(Item 7) now provide that individuals with Motor Neurone Disease now receive 5 points which assigns them a priority rating of Urgent. In addition, with reference to section 87-5(2)(Item 6) 'the older person meets certain waiting	Priority aged care for people with Motor Neurone Disease My Aged Care (D26-4798414) Aged Care Rules 2025 - Federal Register of

Section	Subsection	Page	Draft report text	Comment	Supporting evidence
			3. that the older person is Aboriginal or Torres Strait Islander – one point, 4. that the older person is homeless, or at risk of homelessness – one point, 5. that the older person has a need for urgent access to aged care services – two points, and 6. that the older person meets certain waiting requirements and resides in a particular area – one point.	requirements and resides in a particular area – one point’ relates to wait times of more than 6 months for an assessment where the person resides in an area with a 2023 MM category known as MM 5, MM 6 or MM 7.	Legislation (D26-4798578 and D26-4798587)
Part 1	Access approvals	25	Tables referencing ‘data not available’.	At the time the department responded to the Ombudsman's RFI (May 2026), this data was not available for reporting. This reflected the timing of the significant aged care reforms that commenced on 1 November 2025, including implementation of the Aged Care Act 2024, Support at Home program settings and associated system changes.	D26-4608285 “Page 25 clarification – home support assessments – available data”

Section	Subsection	Page	Draft report text	Comment	Supporting evidence
				While the operational systems were configured to support the new arrangements from commencement, additional work was required to make the underlying data available for reliable reporting. This involved designing and implementing new data warehousing and reporting structures to support the changed data model and business processes introduced by the reforms. Before new data can be released for reporting purposes, it must progress through multiple data management and assurance processes, including extraction, transformation and loading (ETL), application of business rules, data quality validation, cleansing, standardisation and incorporation into the dimensional reporting environment. These activities are necessary to ensure that reported	

Section	Subsection	Page	Draft report text	Comment	Supporting evidence
				information is meaningful, reliable and fit for purpose. As a result, while approval data was not available for reporting at the time the department responded to Question 28, the required reporting capability has subsequently been implemented. Updated data is now available and is provided in a separate attachment for completeness.	
Part 2	Our concerns with the IAT in its current form	41	The older person's total score for the questions in the function section (with some exceptions) and the De Morton Mobility Index (DEMMI) Modified section.	The explanation of the functional score should be updated to match the current definition. This was updated in July to better clarify the fields used in the scoring.	Aged Care Amendment (July and August Indexation and Other Measures) Rules 2026 - Federal Register of Legislation (D26-4799244 and D26-4799252)
Part 2	Our concerns with the decision-making framework and	58	Having the assessor approve their own assessment as the delegated decision-maker for CHSP eligibility carries risks	No further explanation is given regarding the 'risks' referenced in this statement.	The Aged Care Assessment Manual (D26-4799629) provides for the following:

Section	Subsection	Page	Draft report text	Comment	Supporting evidence
	the law and its implementation			The department considers there are appropriate safeguards in place to mitigate any risks relating to an assessor approving their own assessment for entry-level CHSP services. As broadly noted under 'Step 1 – referral and triage' on page 14, triage occurs prior to the assessment. Triage helps ensure that older people with low needs are not over-assessed and that those with complex needs have access to a comprehensive assessment. Triage also aims to validate the outcomes produced at screening, including the priority allocated to the assessment and whether urgent services are required. Triage is approved by clinically-trained triage delegates. Based on the information collected at triage, they will assign a non-clinical assessor to undertake a	• 5.2 and 5.3 provides for the triage process • 5.7.1 provides for the 'clinical attendance' process

Section	Subsection	Page	Draft report text	Comment	Supporting evidence
				'home support' assessment or a clinical assessor to undertake a 'comprehensive' assessment. Having screened for any risks at triage, the department permits assessors undertaking home support assessments to approve access to entry-level CHSP services themselves. However, where clinical questions in the IAT are triggered during the assessment, the assessor is required to observe their assessment organisation's clinical attendance process.	
Part 3	Our concerns in relation to oversight	61	"The Department did not draw our attention to any proactive or reactive audits/reviews that it conducts to check that assessment providers have embedded appropriate quality assurance processes and controls more generally, for example, outside of IAT use."	All proactive audits undertaken against the IAT Self Audit Tool measure compliance with the requirements of the My Aged Care Assessment Quality Framework. The My Aged Care Quality Framework provides information on the principles of a high-quality assessment experience and quality management approaches.	My Aged Care Assessment Quality Framework and Assessment Assurance Section Ombudsman Response Overall Summary (D26-1854147)

Section	Subsection	Page	Draft report text	Comment	Supporting evidence
Part 3	Our concerns in relation to oversight	63	“The issue is therefore not that the Department took action, but that there appears to be a disconnect between the Department’s stated approach and its implementation... By choosing not to hold assessment providers to account, though, for example, the requirement to implement a remediation plan...”:	There was no disconnect between advising AOs that the KPIs wouldn’t become enforceable until 1 July 2026, and providing them advice in May 2026 that having referrals outstanding for more than 365 days from 1 July would immediately trigger a request for a remediation plan. This advice was to give AOs advanced warning and trigger the request for a remediation plan.	We have already supplied this evidence of this advice to AOs..

Our ref. 2622856

23 October 2026

Mr Blair Comley PSM

Secretary

Department of Health, Disability and Ageing

By email to: 

Dear Mr Comley

**Final investigation report into the oversight of the aged care
Single Assessment System**

Thank you for your detailed response dated 2 October 2026 to my draft investigation report regarding the automation and oversight of the aged care single assessment system.

I have carefully considered your response which includes general comments and apparent errors of fact identified by the Department of Health, Disability and Ageing (the department). Where appropriate, I have made minor clarifications to the report. Otherwise, my position regarding my findings and recommendations remain unchanged.

I welcome the department's acknowledgement that it should have been transparent about the Integrated Assessment Tool (IAT) algorithm, as reflected in its publication of information about the algorithm on 6 October 2026. While my draft investigation report may have prompted this positive action, I am disappointed that it did not occur sooner. This information is critical in determining older persons' equitable access to aged care services and to assist them to properly exercise their review rights.

I also note your response about my finding concerning the contradiction in allowing assessor expertise and judgement to inform the inputs into the IAT but not to determine outcomes.

Your response appears to address only part of my finding, that being, the apparent contradiction in allowing assessors' expertise and judgement to inform inputs into the IAT, without adequately considering the appropriateness of the outcomes it produces. As discussed in my report, different assessors may reasonably form different views about the same older person, resulting in different inputs being entered into the IAT and, consequently, potentially different scores and automated decisions. While the department relies on assessors' expertise and judgement to inform the inputs, this does not, in itself, address whether the resulting automated decisions are appropriate, consistent or reliable.

After carefully considering the department's response, I am satisfied the criteria under sections 15(1) and (2) of the *Ombudsman Act 1976* (Cth) (the Act) have been established. Accordingly, I make my final report *Automation and Oversight in Aged Care: Flaws in the Design and Operation of the Single Assessment System*. A copy of my final report is at **Attachment A**.

I thank you and your staff for your cooperation throughout the investigation and your engagement with my Office.

I have also provided a copy of my report to the Minister for Aged Care and Seniors, the Minister for Health and Ageing, and the Auditor-General.

As foreshadowed in my letter of 28 August 2026, I have decided to publish a copy of my report with the department's formal response attached to it. I have redacted personal information, where applicable. Publication will be on 26 October 2026.

Please note that until my report is published, it remains **under embargo** and must not be shared without my Office's express permission.

If you would like to speak with me directly, I am available on [REDACTED]
Alternatively, if your staff would like to discuss my report, they may contact
[REDACTED]

Yours sincerely

[REDACTED]
Iain Anderson
Commonwealth Ombudsman

Attachment A – UNDER EMBARGO Final report – *Automation and Oversight in Aged Care: Flaws in the design and operation of the Single Assessment System*

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